By Mr. WILCOX: A bill (H. R. 12077) to amend section 902, title IX, of the Social Security Act, approved August 14, 1935; to the Committee on Ways and Means.

Also, a bill (H. R. 12078) to regulate bondholders' committees acting in interstate commerce or through the mails, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAVENS: A bill (H. R. 12079) to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

Also, a bill (H. R. 12080) to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

By Mr. DEROUEN: A bill (H. R. 12081) to revise the boundary of the Grand Canyon National Park in the State of Arizona, the abolition of the Grand Canyon National Monument, the restoration of certain lands to the public domain, and for other purposes; to the Committee on the Public Lands.

By Mr. GOLDSBOROUGH: A bill (H. R. 12082) to amend the National Housing Act for flood-relief purposes, and for other purposes; to the Committee on Banking and Currency.

By Mr. GREEN: A bill (H. R. 12083) to amend the act of February 5, 1917, as amended, so as to provide for the deportation at any time of persons entering the United States in violation of law, and to prohibit the making of loans or the giving of relief to such persons and to prohibit the employment of such persons; to the Committee on Immigration and Naturalization.

By Mr. MAVERICK: Resolution (H. Res. 473) creating a select committee of the House to investigate the flood situation, and for other purposes; to the Committee on Rules.

By Mr. CITRON: Joint resolution (H. J. Res. 552) proposing an amendment to section 7, article I, of the Constitution of the United States, permitting the President of the United States to disapprove or reduce any item or appropriation of any bill passed by Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 12084) for the relief of Giuseppe Campo; to the Committee on Immigration and Naturalization.

By Mr. CROWE: A bill (H. R. 12085) granting a pension to Jessie M. Melton; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 12086) for the relief of John McShain, Inc.; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12087) granting a pension to Arthur Leonard Wadsworth, 3d; to the Committee on Pensions.

By Mr. DOCKWEILER: A bill (H. R. 12088) granting a pension to Mattie A. Heard; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 12089) for the relief of Josephine M. Pryor; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 12090) granting a pension to Grace A. Beatty; to the Committee on Invalid Pensions.

By Mr. HALLECK: A bill (H. R. 12091) granting an increase of pension to Elmira J. Douglass; to the Committee on Invalid Pensions.

By Mr. KNIFFEN: A bill (H. R. 12092) granting an increase of pension to Catherine Moore; to the Committee on Invalid Pensions.

By Mr. RISK: A bill (H. R. 12093) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12094) for the relief of Walter B. Johnson and others; to the Committee on Claims.

Also, a bill (H. R. 12095) for the relief of Belle Huffine; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 12096) for the relief of Patrick J. Brennan; to the Committee on War Claims.

By Mr. THURSTON: A bill (H. R. 12097) for the relief of Salem F. Grew; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida: Joint resolution (H. J. Res. 551) granting insurance payments to Hugh H. Newell; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10619. By Mr. BEITER: Petition of the Hornell Chamber of Commerce, Hornell, N. Y., making certain recommendations for flood-control work to be undertaken in the central-southern part of New York, and urging suitable appropriations by the Congress for this work; to the Committee on Flood Control.

10620. By Mr. JOHNSON of Texas: Memorial of C. P. Bodwell, Sr., of Avinger, Tex, route 3, favoring House bill 10359; to the Committee on Pensions.

10621. By Mr. KRAMER: Resolution of the Trust Deed & Mortgaged Home Owners' Association, of Los Angeles, relative to refinancing and amortizing loans on homes, etc.; to the Committee on Banking and Currency.

10622. By Mr. LAMBERTSON: Petition of Mrs. W. W. Cooke and 46 other citizens, all of Topeka, Kans., favoring passage of House bill 8739; to the Committee on the Judiciary.

10623. By Mr. LAMNECK: Petition of Mrs. C. S. James, secretary, Linden Woman's Christian Temperance Union, Columbus, Ohio, urging early hearings on the motion-picture bills; to the Committee on Interstate and Foreign Commerce.

10624. By Mr. RISK: Resolution of the Maud Howe Elliott Chapter, No. 245, Order of Ahepa, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10625. Also, resolution of the Newport County Pomona Grange, No. 4, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10626. Also, resolution of the Rhode Island Fruit Growers' Association of the State of Rhode Island, favoring the appropriation by the Congress of the United States of $3,000,000 for the purpose of preventing the spread of Dutch elm disease and for the eradication of the same; to the Committee on Appropriations.

10627. By Mr. SUTPHIN: Petition of the Bradley Beach Democratic Club, urging the Federal Government to make an appropriation for coastal erosion; to the Committee on Appropriations.

10628. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Labor.

10629. Also, petition of 400 citizens of Pittsfield, Mass., urging enactment of the workers' social insurance bill (S. 3475); to the Committee on Ways and Means.

10630. By the SPEAKER: Petition of the North Harlem Community Council; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 31, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 30, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwellenbach
Benson	Davis	Lonergan	Sheppard
Bilbo	Donahey	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Utah
Brown	George	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from California [Mr. MCADOO], the Senator from Florida [Mr. TRAMMELL], the Senator from Rhode Island [Mr. GERRY], and the Senator from Colorado [Mr. COSTIGAN] are absent because of illness; and that the Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. MCCARRAN], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from West Virginia [Mr. NEELY], the junior Senator from Oklahoma [Mr. GORE], the senior Senator from North Carolina [Mr. BAILEY], the junior Senator from North Carolina [Mr. REYNOLDS], and the Senator from Georgia [Mr. RUSSELL] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

ENROLLED BILLS AND JOINT RESOLUTION

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H. R. 381. An act granting insurance to Lydia C. Spry;

H. R. 605. An act for the relief of Joseph Maier;

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 762. An act for the relief of Stanislaus Lipowicz;

H. R. 977. An act for the relief of Herman Schierhoff;

H. R. 2469. An act for the relief of Michael P. Lucas;

H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;

H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;

H. R. 6335. An act for the relief of Sam Cable;

H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;

H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico;

H. R. 7788. An act for the relief of Mrs. Earl H. Smith;

H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods;

H. R. 8032. An act for the relief of the Ward Funeral Home;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 8901. An act to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis.;

H. R. 9200. An act authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California;

H. R. 10185. An act to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10262. An act to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H. R. 10316. An act to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.;

H. R. 10465. An act to legalize a bridge across Second Creek, Lauderdale County, Ala.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto;

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods;

H. R. 11045. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes;

H. R. 11425. An act for the relief of Gustava Hanna; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937.

PETITIONS

Mr. CAPPER presented petitions of sundry citizens of Courtland and Ellinwood, both in the State of Kansas, pray-

ing for the enactment of the so-called Robinson-Patman anti-price-discrimination bill, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges, reported it with amendments and submitted a report (No. 1739) thereon.

Mr. COOLIDGE, from the Committee on Immigration, submitted a supplemental report (No. 1156, pt. 2) to accompany the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, heretofore reported from that committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4397) for the relief of Edith J. Alexander (with accompanying papers); to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 4398) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; and

A bill (S. 4399) to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon; and to regulate inheritance of restricted property within the Klamath Reservation; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 4400) for the relief of Barbara Jaeckel; to the Committee on Foreign Relations.

(By request.) A bill (S. 4401) to provide for educational, recreational, and welfare work in the United States Engineering Department for civilian employees; to the Committee on Education and Labor.

(By request.) A bill (S. 4402) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

By Mr. ADAMS:

A bill (S. 4403) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Nettie Stephens, Minnie Simpson, and Luro M. Holmes, heirs of John Stephens, deceased, against the United States; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 4404) for the relief of Charles Dancause and Virginia P. Rogers; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4405) to amend section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.); to the Committee on the Judiciary.

By Mr. FRAZIER:

A bill (S. 4406) to provide for construction and equipment of school buildings on the Turtle Mountain Indian Reservation, N. Dak.; to the Committee on Indian Affairs.

PRODUCTION COSTS OF WOOLEN KNIT GLOVES AND MITTENS

Mr. COPELAND submitted the following resolution (S. Res. 270), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Knit gloves and mittens made wholly or in chief value of wool, dutiable under paragraph 1529 (a) of such act.

NONFEDERAL PROJECTS NOT FINALLY DISAPPROVED

Mr. HAYDEN. I submit a resolution and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none. The resolution will be read for the information of the Senate.

The resolution (S. Res. 271) was read, considered, and agreed to, as follows:

Resolved, That the Federal Emergency Administrator of Public Works is hereby requested to furnish the Senate the following information:

A list of non-Federal projects pending in the Federal Emergency Administration of Public Works which have not yet been finally disapproved by said Administration, such list to indicate as to each project (a) its location, (b) its type, (c) its estimated cost, (d) the amount of loan requested, (e) the amount of grant requested, and (f) whether or not it has been examined and approved.

IMPEACHMENT OF HALSTED L. RITTER—ADDITIONAL EXPENSES OF TRIAL

Mr. ASHURST submitted the following resolution (S. Res. 272), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That there is hereby authorized to be expended from the contingent fund of the Senate, to defray the expenses of the impeachment trial of Halsted L. Ritter, $15,000 in addition to the amount heretofore authorized for said purpose.

AVERTING THE FLOOD PERIL—ADDRESS BY SENATOR GUFFEY

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Averting the Flood Peril, delivered over the radio last night by the Senator from Pennsylvania [Mr. GUFFEY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today thousands of Americans are laboring to repair the ravages of flood. The subsiding waters have left a trail of muck and slime, of pestilence and debris, of poverty and terror. Tragically but grimly people turn to the task of rebuilding. After a national disaster such reconstruction as is possible must proceed. Yet shall we do no more than merely repair and replace and await another flood? Shall we not resolve to take such measures as will prevent these disasters in the future?

Within the past fortnight devastating floods raged through 12 States. Every one of the New England States suffered acutely. Power houses were swept away and bridges toppled over like rows of dominoes. In my own State of Pennsylvania flood waters reached an all-time high and the loss to homes and to industries is estimated at several hundred millions of dollars. At Pittsburgh, one of the greatest and busiest industrial centers in the world, the flood barricaded every highway and railroad leading into the city, submerged homes and factories, halted transit lines, and by wrecking electric, gas, and steam systems left people without heat, light, or cooking facilities.

The losses in rural areas were less dramatic but perhaps even more tragic, for there was a loss to farm lands in the State of $100,000,000 through the washing away of some of Pennsylvania's most fertile soils. Houses can be replaced, factories rebuilt, but life-giving soil washed down the rivers is gone forever.

Unless we control floods, and control soil erosion at the same time, the Nation faces physical and social bankruptcy. That culmination is just a matter of time, and a relatively short time at that, unless we take action.

The strength of other civilizations has been sapped by letting this disease run its course unchecked, and we can save ourselves only by adopting the preventive methods and cures of modern science. The rapidity with which this country has been populated has been exceeded only by the pace at which this population has stripped it of its natural resources, and in this process great scars have been inflicted on the land itself.

As I watched for a few moments the swollen waters of the Allegheny and the Monongahela Rivers flow through the streets of Pittsburgh, and the waters of the Potomac spread out over Washington's famous parks, I was struck by one common character they possessed—their foreboding color.

The many thousands of you who watched the flood waters or saw the pictures last week were aware of this same ominous quality. It was not alone the swiftness of the current which was foreboding, nor its width which seemed fateful. It was the color. The wreckage of houses, barns, trees, and bridges was spectacular, but within the water there was a greater wreckage—the wreckage of the land.

This loss of soils will remain unrecorded in monetary terms. Yet the Soil Conservation Service has estimated that 250,000,000 tons of topsoil was washed away out of the reach and use of man. It is difficult to comprehend such a gigantic figure. You have seen pictures of the massive liner, *Queen Mary*, that England is building, and we are told that it will be bigger than any ship now afloat on any ocean. If this huge boat were loaded each trip with all the earth it could carry, it would take over 6,000 trips to carry as much soil as washed down our rivers in a single flood.

We may rebuild the cities, but when we remember that it takes from four to six hundred years for Nature to build a single inch of topsoil, it is obvious that the soil is lost as far as our present civilization is concerned.

About one-third of this quarter billion tons of topsoil was washed into the sea. The other two-thirds was deposited in and

near river beds, clogging navigable channels and creating other obstructions. Many of the rivers navigated by our forefathers are today so filled with silt that they cannot be used. Some of this silt is inevitably deposited behind great dams and if unchecked in time destroys their effectiveness.

Since our country was first settled we have ruined 50,000,000 acres of cropland in the United States, seriously injured 50,000,000 more, and are now threatening another 100,000,000 acres. Our earliest Presidents realized the necessity for properly caring for the soil. George Washington ceased raising tobacco at Mount Vernon because it was a clean-tilled crop which he found was causing soil erosion. Thomas Jefferson, at Monticello, introduced contour plowing and terracing to control the erosion of the soil on his plantation. These early leaders of our country recognized the paramount importance of soil conservation.

These problems of flood and erosion control were of great interest to President Roosevelt when he was Governor of the State of New York, for he was concerned with the proper use of the land and waters of the Empire State. When he became President, one of his first acts was to appoint a board to study the natural resources of the United States.

Late in 1934 the Mississippi Valley Committee reported that "planning for the use and control of water is planning for the most basic functions of the life of the Nation. * * * The aggregate losses in the United States from major floods may not be as great as those from certain less dramatic causes, such as soil erosion, nevertheless, flood loss creates a problem which must be squarely faced."

Finding that annual losses due to soil erosion in the watershed of the Mississippi River were at least 20 times greater than the losses caused by floods of the Mississippi and its principal tributaries, this committee reported that control of erosion was vital to the national welfare.

Last week Morris L. Cooke, who was chairman of this Mississippi Valley Committee, and later of the water section of the National Resources Board, testified before a Senate committee as to the urgency of this twin problem of flood control and soil erosion, and made it clear that preventive measures taken upstream together with adequate dams and flood control works downstream are both necessary if we are to obtain the most effective results.

The National Resources Board, after a careful study of the natural resources of our country pointed out the pressing need for a wiser use of our land. Its report stressed the interrelationship between the proper use of our land and success in controlling our waters and emphasized the need for proper flood control.

The conservative and independent New York Times last week appraised the report of the water planning committee of this board as "a document of the highest social importance, prepared by far-seeing engineers. Its water planning committee developed the first comprehensive proposal for the control and utilization of the Nation's streams, from rills to mighty rivers. The committee's survey makes it plain enough that the problem presented cannot be solved by individual communities and States. It is regional. It concerns not merely the Mississippi and its tributaries, but the countless little streams that interlace the country from coast to coast. With it are bound up recurrent droughts, erosion that carries away the topsoil of the upland farms and leaves hardpan almost as impervious to water as a sheet of glass, water-power plants, irrigation projects, pollution of streams, inland navigation, municipal water supply, water conservation, and water utilization in their broadest aspects.

"If the floods have taught us anything, it is the need of something more than a dam here and a storage reservoir there. We must think of drainage areas embracing the whole country—think of small projects which number thousands, but which are necessary, individual pieces in a vast mosaic of definite pattern, think of major engineering undertakings in terms of decades."

I have just seen an attractive small book called "Little Waters." It recently was issued under the joint auspices of three agencies of the Federal Government—the Soil Conservation Service, the Resettlement Administration, and the Rural Electrification Administration. The President sent a copy of this to Congress, and in an accompanying message recommended that consideration be given to procedure for conserving the waters of the "Little Rivers." This book shows by means of pictures and a simple text how vital it is for this Nation to utilize and control small streams if our major rivers are to be of the greatest possible service to us. To those of you who have a real interest in this subject, write me and I will gladly send a copy of this study entitled "Little Waters."

As a result of the work of this administration we have a better knowledge of floods, their causes, and cures. We have an improved understanding of what man must do to work successfully with nature. We know now that successful flood control in the last analysis is dependent upon proper land use. Not only erosion control but reforestation, water storage, irrigation, and drainage are factors in the flood situation which we can ignore only at our peril.

The sum and substance of the lesson pointed out by all of these reports is just this—adequate flood control can only be attained by controlling the raindrops from the time they hit the ground until they reach the ocean.

The administration has not confined its efforts merely to studying the flood problem from Washington and securing expert reports upon it. A program is under way and work has been started in the field that will meet the twin problem of flood and erosion control as the program is expanded to include every drainage basin in the country.

The new farm act has as its no. 1 objective the conservation of the soil itself and its fertility through wise land use.

Until recently the American farmer has been planting 3 acres of soil-depleting crops to 1 acre in soil-building crops. The new legislation will help to replace this destructive practice with a program of soil building through crop selection.

The Department of Agriculture has announced as the national goal of the proposed program an increase of 30,000,000 acres in the area of cropland in soil-conserving and soil-rebuilding crops such as grasses and legumes. Grass roots are doing far more for the country than "grass-root conventions."

The Soil Conservation Service, with several other Government agencies, is making rapid progress in the fight to conserve not only our land but our water resources as well.

Every field an invisible reservoir is one of its major goals. By contour plowing instead of plowing up and down slopes, by terracing, by strip cropping, by planting trees on steep slopes, by building check dams in gullies, by constructing small ponds, and by developing proper crop rotations the Soil Conservation Service has already accomplished much in several regions.

The Forest Service is building for the future by planting trees on millions of acres of hilly and poor lands which have been unproductive for years. The root structures of these trees will hold the soil and the water, both of which are today being wasted on these desolate slopes. In addition the Forest Service is helping the farmer to restore his woodlot and so increase his valuable underground water storage. A considerable portion of the labor for this work is being supplied by the boys in the 2,000 C. C. C. camps.

In these ways part of our program is being carried out. By holding the rain where it falls and retarding it until it enters the ground, every field becomes an invisible reservoir, and water is saved for productive use instead of wasting itself as part of destructive floods.

The effectiveness of these important measures is shown by the statement of the Director of the Soil Conservation Service "that the volume of run-off water can be reduced 20 to 25 percent—the margin, in most cases, between mere high water and destructive floods."

The T. V. A. is demonstrating how effective an aid to the storage of underground waters would be provided by the proper farming of the 10,000,000 acres of farm land in the Tennessee Valley. Necessary as these undoubtedly are, the storage of water in nature's own reservoirs can be greatly expanded by intelligently readjusting the use of our agricultural lands. Such an operation, while not as spectacular as a large dam of concrete, will provide even greater storage for the rain falling on the earth. In the Tennessee Valley there are about 10,000,000 acres of land which are under cultivation or which have been farmed. While on much of this land about 15 inches of rainfall each year runs off quickly into the streams, it has been found that by changing farming practices this run-off can be reduced to about 5 inches—that is, 10 inches of this water can be saved. Such practices include reforestation and the substitution of cover crops like grass for clean tilled crops like corn and tobacco. This permits the water to soak into the ground. By holding this 10 inches of rainfall on each acre every one of the 10,000,000 acres in the valley would be made a reservoir for an additional 1,130 tons of water.

Thus the 10,000,000 acres would provide an underground storage reservoir for more than eleven thousand million tons of water. The tremendous magnitude of this reservoir is hard to visualize—yet it would be more than three times the storage capacity of the immense lake forming behind the great Norris Dam.

In addition to these measures which we have been discussing there can profitably be constructed many small reservoirs, ponds, and lakes which will aid in controlling floods and in furnishing opportunity for power and increasing facilities for fishing, swimming, and waterfowl. Such recreational facilities should be available in every community.

On the larger rivers these measures will aid, but there will still be great need for retarding basins, large dams, dikes, and levees such as we have been building in this country for over 200 years.

Yet without adequate upstream headwater control the useful life of these dams will be seriously diminished. This is shown by a recent study of a number of major reservoirs in the South, which disclosed that this group had silted up in less than 36 years. The reduction of the silt hazard by modern methods of erosion control is one of the best means of protecting the public's investment in these great projects.

Much of the $500,000,000 of public-works funds which this administration is investing in water-control projects is going into great flood-control works, and their construction is largely in the capable hands of the Army Engineers and the Bureau of Reclamation.

These water-control projects range from the Columbia River to Florida and from California to New England. Many of them are in the early stages of construction, and it will take several years to complete the larger ones.

Two outstanding projects are the navigation and flood-control works in the Tennessee Valley and a comprehensive project for the use and control of waters in the great Central Valley of California.

On the Tennessee Valley flood control is being achieved by a coordinated program involving correct land use, erosion control, reforestation, and the construction of dams on the larger rivers. This unified development of all the natural resources in the valley will be of tremendous benefit to the valley and the Nation in the coming years.

In the Central Valley of California the administration's comprehensive project is designed to utilize to the fullest extent the

waters of this fertile region. Great engineering works are under way to provide sufficient water for irrigation, to restore the groundwater levels, and to control the destructive floods that in the past have ruined property and carried millions of tons of fertile soil into the sea. In addition, the program will provide electrical energy to meet the growing demands of agriculture and industry, and will improve navigation of the rivers.

Floods are, of course, no respector of State boundaries. When there is a flood in West Virginia, the destructive waters of the Monongahela cannot be stopped at the borders of Pennsylvania even by an order of a supreme court. Nor can Ohio protect itself from floods arising in the valleys of Pennsylvania, New York, or West Virginia.

In a very early case the United States Supreme Court decided that the power to regulate interstate commerce embraces the power to keep navigable rivers free from obstructions to navigation. Every step in the water-control program of the administration is a help to the navigation of our rivers. It aims to prevent dangerously high water in certain seasons and dangerously low water in others. It helps to keep silt and other obstructions from our streams.

The law supports the administrative program in its smallest detail, and there is nothing on the statute books to indicate that a project involving navigable streams must be large or spectacular in order to be constitutionally valid.

As Secretary of Agriculture Henry Wallace says, "If the individuals comprising a nation cannot call upon government for help in the battle against forces as wide and deep-lying as the foundations of the nation itself, then neither the individuals nor the nation can have any hope for the future."

Nature has a way of educating both individuals and nations through emergencies. We are well advised to give heed to such warnings. Anyone who has seen the rush and heard the roar of those mighty uncontrolled waters and the wreck and ruin left in their wake will go the limit in bringing relief to the distressed and in aiding the rebuilding of what has been destroyed. This the national administration has done and will continue to do through special congressional appropriations, encouragement of private giving through the Red Cross, and by utilizing the forces of the Federal Housing Administration and the Reconstruction Finance Corporation, the C. C. C., the W. P. A., and the P. W. A. in the work of rehabilitation. No effort must be spared in easing the burdens of suffering and loss wherever it occurs.

But we are fortunate indeed in having at the head of the Government one who, while wholly conscious of what this immediate emergency means to millions of our people, has for many years been practicing the doctrine of the conservation of our natural resources to the end that such a catastrophe as this might be avoided.

If, out of our recent harrowing experiences and through this leadership in the cause of soil erosion and flood control, this Nation girds itself for a winning struggle against devastating national forces, the floods and the suffering will not have been in vain.

ADDRESS BY HON. JOSEPHUS DANIELS TO DEMOCRATIC CLUB OF LOS ANGELES

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Josephus Daniels, American Ambassador to Mexico, before the Democratic Club, Los Angeles, Calif., February 14, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Aside from its health-giving climate and varied rich resources and a people given to hospitality, California has a rare interest for the political-minded, particularly in the early days of a Presidential year. Those who are now studying the political skies of 1936 are busy trying to observe signs in the heavens to foretell what will be their portent by the "ides of November." For California is as true a barometer as exists when an expert is needed in the knowledge of the political firmament. In ordinary periods, when normal conditions prevail, California voters stick to normality and monotony and vote the Republican ticket; but when normality and monotony have conceived and brought forth their progeny in the shape of booms which enrich a favored few at the expense of the toiling many, and brought depression in their wake, California voters have contracted the habit of voting for a Democrat for President to "clean up the mess."

Let us take a look at the record that history records. In the memory of most men and women now living there have been four periods in which the people of California and the country turned to progressive candidates for President to lift them out of the slough of reactionary despond. The first of those periods was in 1892 after Republican rule had prostrated agriculture and industry and many people thought that only by creating a new party could conditions be improved. But then, as now, new parties made no effective appeal to the bulk of voters. The people chose rather to find the needed change by using the Democratic Party as the agency of recovery. They elected Cleveland in 1892 with his pledge of tariff reform and through a tax on incomes, placing the main cost of government upon those who received the largest benefits and were therefore most able to pay. There is no other sound basis of taxation. When nations or states, except in extreme emergency and then temporarily, impose taxes on the principle of consumption, they are shifting the burdens upon those receiving the least benefits and who must pay out of their little to enable the rich to escape their fair proportion. The ingenuity of man has not invented a more cruel and unjust method of taxation than a tax on consumption. Whenever enacted it ought to be entitled "An act to transfer the cost of government from the backs of the rich to the shoulders of the poor."

Mr. Cleveland was the first candidate for President in the last half century to advocate a graduated income tax. In 1892 California, fired by the pioneer spirit of an equal chance, gave a majority of its votes to Grover Cleveland. However, the inability of that administration to restore prosperity sent the Democratic Party into the wilderness for a long period.

The second time the issue of progress versus reaction influenced the Presidential election was in 1904 when Theodore Roosevelt, then the scourger of "malefactors of great wealth", contested with Alton B. Parker, who vainly sought to chain the Democratic Party to the chariot wheels of ultraconservatism. California by an overwhelming majority voted for Theodore Roosevelt.

By 1912 the people of California; led by HIRAM JOHNSON, a militant Republican progressive, and by Democratic progressives, joined hands, in spirit, with forward-looking men and women of other Commonwealths to make an end of "standpatism." Again, distrusting the utility of a new party, California and virtually the whole country as well, voted to put an end to reaction. Again the decision was to entrust the new freedom to the rejuvenated Democratic Party led by a scholar in politics, Woodrow Wilson, the forerunner of the so-called "brain trust." The people then, as now, preferred the brain to any other part of the anatomy for guidance.

There came in 1916 the crucial test whether progress or reaction should reside in the White House. The Republicans named their ablest and strongest easterner in the person of Justice Charles Evans Hughes. He made a brilliant campaign, but he was tied to the body of death incarnated in his party's domination by privilege and his own opposition to the income-tax amendment to the Constitution. The country was closely divided. California was to cast the deciding vote. In that year, in a sense, the immediate destiny of America and the world rested upon a virtual referendum of the voters of California. Would Californians rise to their great opportunity? Though a large majority of the voters registered as Republicans, in that crisis they rose above partisanship and continued Woodrow Wilson in the White House, a decision which carried historic blessings to the United States and to mankind. No one who lived in those anxious days can forget how all eyes were turned to California as the votes were being counted. The result in 1916 accentuated the truth of the saying, "As goes California so goes the Union."

Again in 1932 America stood at the crossroads. A period of favoritism and ineptness and frenzied finance had brought the country to its lowest depths. Fifteen million willing workers vainly walked the streets looking for a chance to turn honest labor into bread for their families. Farmers could find no markets for their crops and were losing their farms. Factories and mines were shut down or running on short time. Business was at a standstill and at its lowest ebb. Banks were bursting in the faces of hysterical depositors. The country had gone red if the ledgers could be trusted. It was the worst red peril it had ever faced. Manufacturers of red ink could hardly meet the demand, while there was an oversupply of black ink needed in normal bookkeeping.

In the face of the worst panic that had struck the country, what was being done to save a hopeless and despairing people who, through no fault of their own, faced hunger and the destruction of all their possessions? The answer is nothing; and nothing was ever done so meticulously and so consistently, so persistently, and so blatantly as nothing was done to avert or cure the record-breaking disaster. In that crisis, when a man and a party were needed to lift the country out of hopelessness into hope, to what for help and deliverance did the people turn? I know and you know and all the people who have been delivered from want and had their feet placed on the high road of recovery know that their chief debt for being lifted out of the debacle is due to the majestic commonwealth of California. It was then clear to nonpartisan observers that once again the Democratic Party was to be the chosen instrument to "clean up the mess." It was not so clear to some what individual with courage and vision should be chosen as the leader in the crusade to take us out of the red and carry us into restoration. Californians divided. Some said Roosevelt, some said Smith, some said Garner. In the end, thanks chiefly to the wisdom of Californians who put recovery above personalities, Franklin D. Roosevelt and John N. Garner were nominated for President and Vice President. They were given an unprecedented popular and electoral vote. California deserves the largest share of credit for their nomination and election. And every man, woman, and child who lives in more comfort and greater security than in 1929–32, as they send expressions of gratitude to Roosevelt and Garner and their associates, must say, "Hail and honor to California! It led the way out of the desert into the promised land."

I come as one of many, representing an agricultural section which was "broke" and "busted" in 1932, to give you and all Californians thanks for leading in the election of a President whose policies have transformed our country into one of returned and increasing prosperity.

In the presence of a recovery that defied the hopes of the most optimistic in 1932, there are sad evidences that we are a nation of short memories embracing many ingrates. In March 1933, when the poor were starving and the rich felt they were headed for

disaster, the interests now organizing for a return to the old order sent their spokesmen to Washington with their appeals, "Save us or we perish." They then told Roosevelt that without strenuous, quick, and even radical action they were doomed. Those who did not go to Washington in person sent SOS messages, "Save our souls and bodies and property." They threw up their hands and admitted impotence. "Do something! Do something quick!" they cried. "Increase the national debt to forty billions, assume large powers, direct business and industry, take over the banking business (over 10,335 banks failed the previous year), be the farmer who will control agriculture, fix dividends (if any) and wages, do anything you think will bring order out of chaos. Be a dictator for salvation. For God's sake, save us! We have tried and failed. Only a puissant and active government can deliver us."

There was ground for these entreaties. In the three preceding years the national income had decreased from eighty-one to forty billion dollars. Government bonds were selling as low as 83.

That was the appeal from a discouraged people to a courageous President. He needed, however, no such hysterical cry for help coming from men who are now organizing Belshazzar's feasts to defeat the man who ventured all and endured all to restore faith and prosperity. He knew that there could come no general recovery without first rescuing agriculture from the depths into which it had been brought by his predecessors.

The first steps were to bring back buying power to the tillers of the soil. The farm income had dropped from ten and a half billion dollars in 1929 to a little over $4,000,000,000. There had been 35,000 foreclosures of farm mortgages in 1 month. Farmers could not pay their taxes nor educate their children. To raise agriculture from the depths was as essential to start the wheels of industry as to aid farmers.

What was the result of that policy? To mention only the leading crops, the price of wheat in 30 months increased from 48 cents a bushel to $1.01, a gain of 111 percent; cotton went up from less than 6 cents to 11⅓, an increase of 92 percent; corn from 21 to 60 cents a bushel; and tobacco over 100 percent increase, with a decreased production. Nearly all other crops have brought more money to the dirt farmers under the New Deal. Their cash income has increased 86 percent since the spring of 1933, due to the new legislation and to wise policies of the Roosevelt administration.

As soon as the agriculturists received better prices, how did the Roosevelt achievement affect industry and business? In 30 months the national income has increased thirty-seven and one-half billion dollars. Steel production has increased 250 percent. Everybody is riding, and automobile registration has increased 357 percent, while all automobile companies have made money hand over fist; listed stocks are 134 percent higher; bonds, 22 percent; building permits, 20 percent; merchandise sales, over 51 percent; and like improvement is seen in almost every line. Utility companies, which had almost drowned investors by the excess of water, have witnessed increased production of 19 percent. That's the way Roosevelt has "killed" the industry. As it gives rural electrification at lower rates it will steadily increase its business and everybody will be helped, except those who were induced to pay good money for stocks representing nothing but water.

Statistical figures of progress and betterment could be multiplied indefinitely. And yet—and yet—some of the very men whose incomes have been increased most by Roosevelt prosperity are spending some of the wealth they owe to Roosevelt to "gang up" against him and the policies that lifted them out of the ditch. In 1932, when the old order had brought them to the brink of bankruptcy, they cried, "Save us or we perish!" Now that they are on dry land they are biting the hand that fed them.

"When the devil was sick, the devil a saint would be;
When the devil was well, the devil a saint was he."

The men who wear the livery of privilege, masquerading under the name of the Liberty League, organized the forces which annulled the A. A. A., which raised the farmer from the danger of becoming a peon. In their policy of putting nothing, or one of the shams suggested in its place, the only "rugged individualism" and liberty left the farmer will be to sell his products below the cost of production. That was the "liberty" he enjoyed before 1933. And that is the only liberty he would get under the return of the old order.

While getting red in the face denouncing every plan that has lifted the country from the depths, these devotees of liberty (limited) have had no condemnation of the policies of favoritism under which the great bulk of the wealth of the country has been monopolized by the favored few. When these shouters against processing and excise taxes that aid agriculture give up all the subsidies, immunities, and privileges which have made them and their employers rich—when they disgorge such Midas-like incomes, made by manipulation, and give a better division to their employees—when that time comes, they may hope to have their spoutings receive some attention. Until then every citizen, except those who are getting all the cream and their sycophants and hirelings, will turn a deaf ear to their expressed love of liberty and the Constitution.

Why have the prophets of privilege collected a large sum to fight the New Deal? The answer is plain. It is because government has a heart and moves toward social justice. They oppose Roosevelt because he has done much to help the farmer; has put 5,000,000 idle men to work; has taxed excessive wealth; has followed the example of Sweden, Germany, and England in providing security for the old; has sought to put an end to stock jobbing and watered holding companies; has pressed for the right of labor for collective bargaining; and opposed grinding the seed corn by the employment of child labor, and in a score of other ways stood firmly for the rights of the forgotten man, while giving fair play to private initiative and protection to property.

If entrenched privilege mobilizes for a restoration of the old order, what is the plain duty of the businessman and manufacturer who was in the red or near the brink in 1932, or whose business was jeopardized by monopolistic concern? Of the farmer who has been transformed from a near peon to an independent farmer? Of the mechanics and other men dependent on wages or salaries? Of the professional men whose incomes were reduced? Of journalists who were rescued from distress? Of the citizens whose savings were lost or imperilled or decreased, and who now find them more valuable? Of men and women who love their country and wish to be one in which all who now live and those to come will have a fair chance? It is as plain as a pikestaff that to save their souls and protect their interests all these people must present a solid front against the organized minority who declare they will "gang up" against the President.

California led in the nomination and election of the President. Its early settlers braved the heat of the deserts and the cold of the mountains to set up here a new commonwealth. They had faith in themselves and in their future. They were not afraid of experiments. The Californians of today are their descendants in progress and courage. They have turned their backs upon the old order. They welcome the new day of equality, of a fair division of the fruits of labor and skill, of the spirit of justice that fills the air. As they rush forward to greet the new day they will be found as in 1892, 1904, 1912, 1916, and 1932, united and militant for Roosevelt and the New Deal, as they were for Teddy and the square deal, and Wilson and the new freedom. They don't want to go back to the shanty they occupied in 1932. They moved out into better quarters. They know that the only issue in 1936 will be: Shall we restore the old order or solidly stand behind the New Deal and go forward? In the words of Franklin Roosevelt, California will say: "We will not retreat!"

THE CHOICE BEFORE US—ADDRESS BY CHARLES P. CARROLL, JR.

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address entitled "The Choice Before Us", delivered by Charles P. Carroll, Jr., student of and speaker on international relations in Yale University, a member of the Yale Political Union, at Waterbury, Conn., February 2, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The people of our Nation today face the gravest issue to arise in their national existence; an issue which has called, not to one but all; an issue which has brought to you a realization of the world in which it finds itself. War or peace? That is the question we as a nation must solve.

On all sides we find an answer: The League of Nations, international law, neutrality. Of these three answers, which one can we accept?

The League of Nations? No; for it has been proved conclusively that this international government has pitted the strong against the weak in order to preserve an unjust status quo in Europe.

In 1924 the Corfu incident ended in League intervention, and League intervention resulted in a desire for revenue by Benito Mussolini, a revenge which by militarizing a people and a nation he now sees partially achieved in Ethiopia.

In 1932 the League remained silent as Japan invaded Manchuria; in 1933 remained silent as Great Britain led a punitive expedition into Afghanistan; but in 1936, as Great Britain, which virtually is the League, sees Japan penetrate farther and farther south into the British sphere of commercial influence in China, the League tightens its grip on Far Eastern affairs. Also, in 1936, we see a League attempting to halt an African war, a war which greatly threatens England's life line of Empire.

A review of the facts of the case will show even to greater extent the workings of a British league.

First, there is the matter of an oil embargo. When Great Britain realized last year the intense feeling of hatred upon the part of the Italian people because of the possibility of an embargo she immediately, and quite cannily, deflected this enmity upon the people of the United States by making it a question of whether America, unconcerned with League action, would or would not sell oil to Italy.

This embargo which, for peace is imperative to establish, has not been acted upon; and Great Britain, through the Anglo-Persian Oil Co. of Sir Henri Deterding, continues to supply 50 percent of Mussolini's needs in shipments to Italian Somaliland. Are industrial profits or peace the goal of the League? Is it not a pity to find a nation as great as Great Britain striving for both, when, if ever, they can be gained simultaneously?

Second, there is the Hoare-Laval peace pact of last year. It is to be noticed that even in this Britain considered her interests as the paramount issue.

In the division of Ethiopia under this plan of geographical distribution one finds Lake Tana, source of the Nile, very subtly left in Ethiopian possession. Why? Because the waters of Lake Tana which form the Nile have been used for years for irrigational and agricultural purposes in Egypt and the Anglo-Egyptian Sudan, and have served as a source of hydroelectric power as well as a source of sweet water for those in the Suez.

Should Italy gain control of this body of water and divert the flow from its usual course for similar purposes in its colonization of Ethiopia the effects on British interests in Africa, needless to say, might prove disastrous.

Lastly, we come to the military alliance of Wednesday, January 22. Turkey, Greece, Czechoslovakia, France, and Great Britain have now banded together in a pledge of mutual cooperation in case of an attack upon any member by Italy. This is the result of sanctions, of League of Nations' actions, which will result in an alinement of powers forming a counteralliance, and this in war. Either the alliance must decay or war will eventuate. Surely any American student of League history should realize that our entrance into such an organization is not essential to the welfare of our people or those of Europe. The scope of possible belligerency would only be extended.

Of the second possibility afforded us for the maintenance of peace, namely, international law, what should be our answer?

Those who uphold international law, such as the eminent authority at Yale University, Prof. Edwin M. Borchard, say that we have come to think of international law more in the breach than in the observance. Dr. Borchard declares also that executive incompetence caused our entrance into the last war and that we never seriously attempted to uphold our rights as a neutral.

To the first argument youth of this generation would have, in my opinion, but one answer. That is that flagrant abuses of international law, because of the desperation of one whom it governs, incite many who are responsible for their neutrality upon strict adherence to law out of their position as a neutral into a position as a belligerent. The results of the breach are more detrimental to mankind than the results of the observance are beneficial. Also it does not seem logical to believe that a man driven to desperation is going to obey a law when, by obeying, he lessens his own chances for survival.

In the second argument, Dr. Borchard implies the necessity of executive competence to a righteous administration of international law. Realizing competence cannot be written into law, would it not be better to enact into law legislation which is not wholly responsible for its administration upon the discretion and competence of an executive? Would it not be better to have built the machine of peace before the need for its use arises when cold and sober fact and experience can be used as guides to its construction, instead of that time when human prejudice, bias, and "group" influence may form the basis of the opinion of the builder?

To prove more conclusively the improbability of the future success of international law should it be resumed by a neutral as its policy in trading with belligerents, it is necessary to review the history of our failure to maintain a real neutrality from 1914–17.

In my opinion, history will record the date of our entrance as that day when our foreign trade first reached belligerent shores.

From that day on we notice a decrease in our trade with the Central Powers, which brings our commercial relations with them to a negligible importance. We notice an allied paper blockade which stops 2,100 out of 2,400 American ships in the first year of the war. We then see our trade with the Allies growing by leaps and bounds and our Nation, by the vacillation of its national administration, subject itself to the dictums of Great Britain in order not to interfere with a prosperous trade, a trade which induced an inflationary economic life into America, bringing us from the debtor to the creditor class, a trade which, if interfered with, might cause a deflationary collapse in America and evict a national administration.

The Chief Executive at the time was a great man, yet a man given too much to an ideal, too little to practical experience. And because of this found himself, not by his own wish but by misfortune, a pawn in the hand of circumstance.

It is entirely fitting that youth should subject itself to a rigid, analytical, and unbiased history of that war; and youth today, unacquainted with the emotions and psychology of the war, is peculiarly fitted to such a task.

Trade, loans and credits, and war psychology—these, in my opinion, caused our entrance. These did not induce an Executive incompetence. These did, however, effect a policy of watchful waiting, a policy of drifting which brought us to the brink of war and then precipitated us into the crisis.

Trade brought us into conflict with the Germans and induced a moral unneutral feeling among our people. Trade brought us into disagreement with England, but we risked our trade in argument. Trade brought us prosperity, a prosperity we felt we could not lose. Loans and credits, the coordination of industrial agencies, allowed our trade to go on. War psychology, pro-Ally propaganda, and a realization of the source of profit brought us upon entrance in alinement with the Allies.

That trade and those loans and credits when endangered brought us into war, not because one man found it to his benefit, but because all America believed it to be to her benefit.

André Tardieu, French statesman of the war period, is but one foreigner to realize, after war, the real cause of our entrance. He said:

"Profits had swollen tenfold; the Allies had become the sole customer of the United States. Loans the Allies had obtained from the New York banks swept the gold of Europe into American coffers. From that time on, whether desired or not, the victory of the Allies became essential to the United States."

This is what international law and desire to trade did for us in 1914–17. Some may say, "Yes; but President Wilson refused the use of pressure in order to bring England and Germany into a mutual revocation of their policies effecting United States trade", namely, the blockade and the submarine.

This was realized by the President and considerable meditation over the possibility of a compromise was undoubtedly made. But was an interference in trade worth the possible disastrous effects on American economic life? For by this time America was much more dependent on foreign trade industrially, commercially, and agriculturally than in a period of normalcy when she is but dependent to 10 percent.

Will not another wartime President find his hands similarly bound? Will not America, should war again come, find her younger generation disgusted at the failure of a President to act with courage, perhaps losing temporary profits, but saving lives and future and greater profits?

Now, there remains but one answer—neutrality. Of neutrality we have two very different types, the discretionary and the mandatory.

Discretionary neutrality leaves to the President the power of execution. "May", instead of "shall", is the reading of the law.

Could such a policy possibly produce the desired results? It is to be doubted; for, if it were Executive incompetence which caused our entry into the last war, there is no reason to believe we might not enter future wars because of the same reason.

If it were the influence of commercial and industrial pressure groups, then the Chief Executive should be guarded against a possible recurrence of such pressure in wartime by a mandatory policy. If it were trade that brought us to war, then the administration should not be given permission to restrain or allow trade, but should—not might—be forced to restrain trade. Sanctionists will say such a policy will put to an end all hopes of American cooperation with the League or similar international organizations supposedly desirous of gaining peace.

This argument is to be refuted; for, although we as a nation are not defining aggression, we are, by restraining trade with both belligerents, acting in cooperation with international government. They trade with one belligerent. We trade with neither belligerent.

Our opponents will say, "But why not trade when we can?" Should we enter into a business contract, if by entering that contract we endanger our neutrality, our economic status quo, and our national psychology, because of a moral sympathy in a financial interest?

If loans and credits caused our entrance into the war, is not a policy which is mandatory upon the President better than one which might enable "interests" to cause, through him, an indiscretion? If the submarine caused our entrance, is not a policy which commands the President to advise citizens that their trade and lives are within their own hands in time of war a better one than that policy which permits the President to advise, which, also, permits argument with belligerents on any interference with trade and permits moral unneutrality and war psycholcgy in case of loss of life?

Some may say that America refuses to protect the trade and lives of its citizens in time of foreign conflict by such a policy.

Perhaps America is beginning to realize that going to war to save $5,000,000,000 in war profits cost in bonuses, pensions, aid and care for the suffering, the disabled, and the dead (to say nothing of the economic consequences of war and war itself), $100,000,000,000.

Should we not realize then, also, that in the past we have through thoughts psychologically stimulated to a high belief in honor gone to war defending the lives of a few Americans by the deaths of thousands of others? Man cannot regulate national psychologies by legislation, but man can attempt to rid the Nation of the stimuli of such psychologies.

So we come to the mandatory policy of neutrality.

Its opponents say that such a drastic policy containing provisions for equally drastic embargoes will disrupt the economic life of the Nation just as it did in 1807, and that it will end just as did that policy in 1812.

Any thorough student of history will realize that the Hartford convention represented the thought of New England and in the infant-industry period of economic existence—New England largely dependent upon shipbuilding and foreign trade. America has progressed greatly since that era in her history until today only 10 percent of her economic life is dependent on foreign trade, and her infant-industry period in all lines of economic existence is gradually giving way to a stabilized, highly industrialized economic society, a society much better equipped to withstand the shocks that others have been unable to weather.

Even more materialistic persons have said, "Perhaps what we need is another war." If lives do not mean anything to them perhaps their realization will. Wartime profits will be more than lost in that economically disastrous period that follows every war known to our generation as a depression.

W. P. A. WORKERS IN THE FLOOD DISTRICTS OF PENNSYLVANIA

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD for the information of my colleague the senior Senator from Pennsylvania [Mr. DAVIS] two newspaper clippings from the Pittsburgh Press of Sunday, March 29, 1936—one entitled "W. P. A. Workers Unsung Heroes of Big Flood" and the other being an excerpt from an article headed "City's Vital Agencies Win Praise for Activities During Flood Crisis", by Kermit McFarland, dealing with the same subject. If my colleague needs additional information, I might suggest that he interview any one of

the Moose lodges in Pennsylvania, or go to his home town of Sharon, where he can get more information concerning the heroic work done by the men working for the W. P. A.

There being no objection, the newspaper articles were ordered to be printed in the RECORD, as follows:

[From the Pittsburgh (Pa.) Press of Mar. 29, 1936]

W. P. A. WORKERS UNSUNG HEROES OF BIG FLOOD—30,000 MEN, 1,000 TRUCKS HELP CITY TO "DIG OUT"

Individual acts of heroism and long hours of labor without rest fell to the lot of Works Progress Administration men throughout Allegheny County during its most disastrous flood, it was revealed yesterday when James E. Kesner, district director for W. P. A., summarized the work of his organization.

The report showed 30,000 men and 1,000 motor trucks were thrown into the job of "digging out" and rehabilitating the county's stricken areas.

"Hours before the crest of the flood was reached," Director Kesner reported, "W. P. A. men in rowboats were assisting in the rescue of persons marooned on the upper floors of their homes and buildings by the rapidly rising waters.

HEROISM COMMON

"Acts of dramatic heroism were common, men risking their lives time and again to carry children and aged persons to safety.

"Thousands of W. P. A. men worked continuously for 16 to 20 hours, refusing rest when additional crews could not get into the districts to relieve them."

One of the more spectacular rescues was in downtown Pittsburgh, but names of individual members of that crew were lost in the rush of work and excitement of the emergency.

The crew built a makeshift raft in Fifth Avenue near Smithfield Street. Attaching 1,000 feet of rope to the improvised craft, the men pulled it by truck to the lower end of the triangle, where refugees were taken aboard and pulled to safety. More than 1,000 lifeguards, assisted by the W. P. A. workers, carried on this work until all those marooned by high water had been removed.

All regular W. P. A. project work was stopped when the flood first came up and W. P. A. employees were either put to work at once or held in readiness to leave for stricken areas at a moment's notice.

WORK LONG HOURS

Radio calls were broadcast by Director Kesner as conditions became critical, and within a half hour crews were organized and dispatched by truck and train. Men living in sections first hit by flood were directed to organize themselves into rescue squads and assist borough and township officials.

The administrative force of the Works Division of W. P. A. in the old post-office building remained on the job 48 hours without relief. These men, in charge of Donald Moore, superintendent of operations, and C. R. McKinney, supervising engineer, were responsible for organizing and directing the various units.

When telephone service was suspended, this crew of men reestablished its headquarters in the Telephone Building, Seventh Avenue.

Director Kesner announced yesterday there will be no cessation of activity by W. P. A. as long as there is work to be done. He said he intends to keep his men on the job wherever needed.

[From Pittsburgh (Pa.) Press of Mar. 29, 1936]

(Excerpt from article by Kermit McFarland)

The Works Progress Administration here—maligned by critics, cursed even by its friends, weighted down with red tape—literally leaped to the aid of every agency greedy for its services and proved beyond doubt that, given a free hand, it can function efficiently, economically, and effectively. Waiving formality, the local administrators had 48,000 men at work in jig time.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The VICE PRESIDENT. The question is on the amendment, in the nature of a substitute, offered by the Senator from Texas [Mr. CONNALLY] to the pending bill.

LEGISLATIVE APPROPRIATIONS

Mr. SCHWELLENBACH obtained the floor.

Mr. TYDINGS. Mr. President——

Mr. ROBINSON. Mr. President, I understand that the Senator from Maryland [Mr. TYDINGS] desires to ask that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the legislative appropriation bill. I do not know whether that is in accord with the wishes of the Senator from Washington, who has the floor.

Mr. SCHWELLENBACH. With the understanding that the legislative appropriation bill will take but a very short time, and that at the conclusion of its consideration I will again be recognized, I will yield to the Senator from Maryland for the purpose indicated.

The VICE PRESIDENT. The parliamentary situation is that the Senator from Washington [Mr. SCHWELLENBACH] gave notice last week that he desired to address the Senate today. As the Chair understands, the Senator from Washington is perfectly willing that the unfinished business shall be laid aside temporarily and to yield the floor for the time being so that the legislative appropriation bill may be considered. The Senator from Washington will be recognized at the conclusion of the consideration of the appropriation bill.

Mr. ROBINSON. Mr. President, of course, there can be no limit placed on the consideration of the legislative appropriation bill, but the Senator from Washington can take the floor at any time during the consideration of that bill.

The VICE PRESIDENT. The Senator from Maryland is recognized.

Mr. McNARY. Mr. President, I understand the Senator from Maryland is about to request consideration of the legislative appropriation bill. I inquire if the bill has been reported and if notice has been given by publication of the report?

Mr. TYDINGS. That is correct.

Mr. McNARY. Are there many amendments to the bill?

Mr. TYDINGS. There are only very few amendments, to which I think there will be no objection.

Mr. McNARY. I have no objection to the consideration of the bill.

Mr. TYDINGS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 11691, being the legislative appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. TYDINGS. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Senate—Office of the Secretary", on page 2, line 17, after the word "clerk", to strike out "$4,200" and insert "$4,500", so as to read:

Assistant financial clerk, $4,500.

The amendment was agreed to.

The next amendment was, on page 2, line 25, after the figures "$3,360", to strike out "executive clerk, and assistant Journal clerk, at $3,180 each" and insert "assistant Journal clerk, $3,360; executive clerk, $3,180", so as to read:

Assistant Journal clerk, $3,360; executive clerk, $3,180.

The amendment was agreed to.

The next amendment was, on page 3, line 3, after the word "each", to strike out "assistant librarian, and assistant keeper of stationery, at $2,400 each."

The amendment was agreed to.

The next amendment was, on page 3, line 4, before the word "one", to insert "one at $3,180"; in line 6, after the word "each", to strike out "two at $2,640 each, one at $2,400" and insert "one at $2,640, five at $2,400 each"; at the end of line 7, before the word "at", to strike out "four" and insert "two"; in line 8, after the word "each", to insert "two at $1,860 each"; and in the same line, before the word "at", to strike out "two" and insert "four", so as to read:

Clerks—one at $3,180, one at $2,880 and $300 additional so long as the position is held by the present incumbent, four at $2,880 each, one at $2,640, five at $2,400 each, two at $2,040 each, two at $1,860 each, four at $1,740 each.

The amendment was agreed to.

The next amendment was, on page 3, line 9, after the figures "$2,460", to strike out "two assistants in the library at $1,740 each."

The amendment was agreed to.

The next amendment was, on page 3, line 11, after the word "each", to strike out "one in Secretary's office, $1,680" and insert "two in Secretary's office, at $1,680 each", so as to read:

Laborers—one at $1,620, five at $1,380 each, two in Secretary's office, at $1,680 each.

The amendment was agreed to.

The next amendment was, on page 3, at the end of line 12, to change the appropriation for the office of the Secretary from $123,360 to $130,500.

The amendment was agreed to.

The next amendment was, under the subhead "Document room", on page 3, line 15, after the words "first assistant", to strike out "$3,360" and insert "$2,640"; in the same line, after the words "second assistant", to strike out "$2,400" and insert "$2,040"; at the end of line 15, to strike out "four assistants, at $1,860 each" and insert "three assistants, at $2,040 each"; and in line 17, after the words "in all", to strike out "$18,540" and insert "$16,140", so as to read:

Salaries: Superintendent, $3,960; first assistant, $2,640; second assistant, $2,040; three assistants, at $2,040 each; skilled laborer, $1,380; in all, $16,140.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper", on page 7, line 22, after the word "storekeeper", to strike out "$4,440" and insert "$4,800", so as to read:

Deputy Sergeant at Arms and storekeeper, $4,800.

The amendment was agreed to.

The next amendment was, on page 7, line 23, after the word "one" where it occurs the first time, to strike out "$2,640" and insert "$3,000"; in the same line, after the figures "$2,100", to insert "one, $2,000"; in line 24, before the word "at", to strike out "three" and insert "two"; and in line 25, after the figures "$1,800" to insert "one to the secretary for the minority, $1,800, one, $1,500", so as to read:

Clerks—one, $3,000, one, $2,100, one, $2,000, two at $1,800 each, one to the secretary for the majority, $1,800, one to the secretary for the minority, $1,800, one, $1,500.

The amendment was agreed to.

The next amendment was, on page 8, line 10, after the word "janitor", to strike out "$2,040" and insert "$2,400", so as to read:

Janitor, $2,400.

The amendment was agreed to.

The next amendment was, on page 8, line 15, before the word "at", to strike out "thirteen" and insert "fourteen", so as to read:

Telephone operators—chief, $2,460; 14 at $1,560 each.

The amendment was agreed to.

The next amendment was, on page 8, line 20, before the word "at", where it occurs the second time, to strike out "twenty-nine" and insert "twenty-eight", so as to read:

Laborers—3, at $1,320 each; 28, at $1,260 each; 3 at $840 each.

The amendment was agreed to.

The next amendment was, on page 8, line 24, to change the appropriation for the office of Sergeant at Arms and doorkeeper from $254,784 to $259,664.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Senate", on page 10, line 14, after the word "thousand", to strike out "$10,000" and insert "$18,000", so as to read:

For folding speeches and pamphlets at a rate not exceeding $1 per thousand, $18,000.

The amendment was agreed to.

The next amendment was, under the heading "Capitol Police", on page 23, line 11, after the word "captain", to strike out "$2,460" and insert "$2,700", and in line 16, after the words "in all", to strike out "$144,440" and insert "$100,680", so as to read:

Salaries: Captain, $2,700; 3 lieutenants, at $1,740 each; 2 special officers, at $1,740 each; 3 sergeants, at $1,680 each; 52 privates, at $1,620 each; one-half of said privates to be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House; in all, $100,680.

The amendment was agreed to.

The next amendment was, under the subhead "Capitol Buildings and Grounds", on page 26, line 24, after the figures "$120,963", to insert a comma and "of which $25,000 shall be immediately available", so as to read:

Capitol Grounds: For care and improvement of grounds surrounding the Capitol, Senate and House Office Buildings; Capitol power plant; personal and other services; care of trees; planting; fertilizers; repairs to pavements, walks, and roadways; purchase of waterproof wearing apparel; maintenance of signal lights; and for snow removal by hire of men and equipment or under contract without compliance with sections 3709 (U. S. C., title 41, sec. 5) and 3744 (U. S. C., title 41, sec. 16) of the Revised Statutes, $120,963, of which $25,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the heading "Library of Congress—Legislative reference service", on page 32, at the end of line 15, to strike out "$92,990" and insert "$77,990", so as to read:

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed $5,700 for employees engaged on piece work and work by the day or hour at rates to be fixed by the Librarian, $77,990.

The amendment was agreed to.

The next amendment was, under the subhead "Increase of the Library", on page 35, at the end of line 6, to strike out "$5,000" and insert "$7,000", so as to read:

For the purchase of books and periodicals for the Supreme Court, to be a part of the Library of Congress, and purchased by the Marshal of the Supreme Court, under the direction of the Chief Justice, $7,000.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. ROBINSON. Mr. President, it seems to me worthy of note that in the legislative general appropriation bill there is only a total net increase in the amount carried in the bill as it passed the House of $4,860. There are some increases in excess of that amount over the amounts approved by the House, but the net result is an increase of only $4,860.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FREEDOM OF THE PRESS

Mr. SCHWELLENBACH. Mr. President, during the short time I have been a Member of this body I have attempted religiously to give observance to the rule relating to the limitation upon discussion by new Members of the Senate. With the exception of a few questions, or explanations of bills which I have reported from committees, and one instance during the month of January of this year, I have not taken any time of the Senate in discussing any of the matters or affairs before the Senate.

However, last July I was honored by the Senate, through the Vice President as its presiding officer, with appointment upon a committee for the purpose of the investigation of lobbying. During the past 6 weeks this committee has been subjected to very severe and very persistent criticism upon the part of the opposition to the administration, and particularly upon the part of the press of the Nation. I believe it is desirable that some of those charges be considered and fully discussed.

Without in any way deprecating the other individuals and organizations which have attacked the committee, I want to limit my remarks to those attacks which have been made by two. I refer, first, to Mr. Jouett Shouse, of the American Liberty League, and, second, Mr. William Randolph Hearst.

I am not going to waste very much time discussing the radio remarks of Mr. Jouett Shouse. I have two reasons for

this. In the first place, the committee has been afforded, by the Columbia Broadcasting Co., an opportunity upon next Thursday evening to reply to Mr. Shouse's latest speech, and, in the second place, I do not believe anyone pays very particular attention to what Mr. Shouse may say. I think the time of the Senate should not be taken needlessly in considering his remarks.

However, I do want to say for Mr. Shouse that he is improving. In his first radio broadcast on March 6, addressing the people of the Nation on behalf of the American Liberty League, Mr. Shouse made this statement:

> Let us see just what has happened in the city of Washington, the Capital of our Nation. Every telegram sent by any citizen of the United States to anyone in Washington between February 1 and December 1, 1935, has been subject to examination by employees of the Federal Communications Commission or the Black committee. Every telegram sent out of Washington during those 10 months has been subject to such examination.

Checking up the figures with the telegraph company, the Senator from Alabama [Mr. BLACK], chairman of our committee, reported to the Senate that the number of telegrams coming into and going out of the city of Washington, to which Mr. Shouse made reference in his speech of March 6, amounted to 14,000,000.

In his speech of last Friday evening, Mr. Shouse has revised the figures and now says that more than 22,000 telegrams sent from or received at the Washington offices between February 1 and December 1, 1935, were copied and turned over to the Black committee. In other words, he has revised the figures from 14,000,000 down to 22,000. We must give credit to Mr. Shouse for his recognition that his first statement was in error to the extent of just 13,978,000 telegrams. If there is anyone in the Senate with ability along mathematical lines, he might estimate the percentage of error in Mr. Shouse's first national broadcast.

But I do not care, Mr. President, thus lightly to dispose of the charges which have been made against this committee. It is my desire, briefly, concisely, and with language so clear that no one can misunderstand it to make a statement in reference to the activities of the committee.

The committee consists of five members, four of whom are lawyers. We believe that we at least have a speaking acquaintance with the Constitution of the United States. We know that every member of our committee has as great love and respect for the Constitution of the United States as any newspaper editor or any member of the opposition who may, because of the fact that he desires to prevent the disclosure of facts such as have been uncovered by the committee, attempt to attack the committee upon the ground that the committee is abusing constitutional rights and privileges.

The committee in its every activity has assiduously attempted to protect the constitutional rights of everyone connected with the investigation. In the subpenas which we have issued, contrary to the statement or the inference or the innuendo contained in a speech upon the floor of the Senate a few weeks ago, we have followed religiously the forms which have been laid down for us and used by prominent Members of the Senate in the years gone by. The forms we used were used by and approved by such men as Thomas J. Walsh, of Montana, a constitutional lawyer of recognized ability; such men as the conservative Reed Smoot, of Utah; such men as the able James A. Reed, of Missouri. Certainly no one can contend that those three gentlemen or any one of them were crazy radicals such as the papers are inclined to call those of us on the Black investigating committee today. We have followed definitely and religiously the forms which were approved and were used by those Members of this body in the past years.

Further, no telegram sent into or out of Washington by any person, association, or corporation not engaged in lobbying activity was at any time examined by the committee or any member of the committee or any of its agents or employees.

Further, we did not at any time, no matter what any Member of this body may attempt to insinuate or infer, make use of the Federal Communications Commission in an effort to secure information. The telegrams which we secured were secured as a result of the power and authority of the Senate under our own subpena.

One charge only which has been made against us are we willing to confess. That was the charge delineated here last Friday by the junior Senator from Oregon [Mr. STEIWER], to the effect that we had made a misuse of subpenas because we had used subpenas duces tecum, and that a subpena duces tecum means "to bring with you"; that in certain instances, instead of the telegraph company bringing the telegrams to us, we sent our representatives to the telegraph companies and they brought the telegrams. That technical charge which the junior Senator from Oregon made was correct. If he wants to protect and defend the interests of the country which attempt to taint the legislation of the country by relying upon a technicality of that kind, he may get what comfort he can out of such a technical objection.

Mr. President, I wish now to refer to Mr. William Randolph Hearst. William Randolph Hearst, who has been condemned and criticized by the newspaper fraternity of this country since 1895, when he first appeared in the city of New York, and took over the New York Journal, has today become the plumed knight leader of the newspaper fraternity of the country.

A couple of weeks ago he commenced a suit against your committee. The Washington Times for March 14 sets out the allegations in that suit:

> Charging conspiracy against the Black committee and the Federal Communications Commission, William Randolph Hearst yesterday petitioned District Supreme Court to compel them to return private telegrams seized in their wholesale foray.
>
> The publisher, through Attorney Elisha Hanson, asked the court to order the five Senate investigators and the seven Commisisoners to appear and answer his charges that their seizure of private correspondence violates constitutional rights.
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> * * * * * * *
>
> Jerome D. Barnum, president of the American Newspaper Publishers' Association, filed an affidavit in support of the Hearst suit.
>
> The American Newspaper Publishers' Association by resolution condemned the Black committee and the Commission and pledged assistance of its 438 newspapers, representing more than 80 percent of national newspaper circulation, to its members so attacked in the "unwarranted attempt to abridge the constitutional guarantee of a free press."

I say Mr. Hearst, after all the villification and abuse to which he has been subjected by his fellow newspapermen of this country, has at last reached the position of leadership and is today the plumed knight leading the American newspaper fraternity in the protection of their constitutional rights. He comes down here through the medium of his attorney, a Mr. Elisha Hanson, who parades himself before the public in Washington as being an authority upon constitutional law. Anybody with any information about legal conditions in the city of Washington or about newspaper conditions knows that Elisha Hanson is today, and always has been, just a "stooge" for William Randolph Hearst and the rest of the newspaper fraternity of this country who believe that newspapers should be run upon the basis and theory of a sweatshop.

They make two contentions against us: First, that we have violated the fourth amendment to the Constitution, that we have invaded the private rights of the citizens by seizing private papers; second, that we have violated the first amendment of the Constitution and are threatening the freedom of the press.

Mr. President, when I am considering charges which are made, when I am considering high-sounding phrases put forth by any individual, I always feel that there is only one way by which we may judge or evaluate the sincerity of that individual in the charges he makes. Mr. Hearst contends that it is wrong for the Senate to subpena telegrams from the telegraph company. He contends that it invades the constitutional rights and privileges of our citizens. I think, therefore, it is pertinent at this time to go back through the record of Mr. Hearst and see what has been his attitude through the years on the question of stealing papers, of securing papers by bribery, of securing papers by intimidation, of securing papers by forgery, if you please, Mr. President.

Before that, however, I desire to pay tribute to Mr. Hearst along one line—that is, his ability as a money maker. I do not believe there is any man in the country today who has exhibited any greater ability in the acquisition of wealth and fortune than Mr. William Randolph Hearst. It is true that as a young man he inherited a fortune from his father; but he has many times multiplied that fortune, and I think it is only proper that we should pay tribute to his ability along that line.

I have before me a copy of the magazine Fortune for October 1935, and I refer only briefly to it.

According to this magazine—and it has not been denied—Hearst means $220,000,000: 28 newspapers, 13 magazines, 8 radio stations, 2 cinema companies, $41,000,000 worth of New York real estate, 14,000 shares of Homestake, and 2,000,000 acres of land—cattle, chicle, and forest. That is the fortune of William Randolph Hearst, the fortune of the man who is today attempting to speak on behalf of the common people of this country.

You know, Mr. Hearst for years lived in the balmy climate of southern California. He may have been attracted by the climate; he may have been attracted by its proximity to the great movie colony at Hollywood; I do not know which. But, at any rate, he had thousands upon thousands of acres, a front which occupied miles upon miles of the Pacific coast; and there, in the balmy climate of southern California, he operated and directed the campaign for amassing and further amassing this fortune. A few years ago, however, he tired of San Simeon, as he has a way of tiring of anything in his life that is most intimate and should be most sacred. He tired of San Simeon, and he decided that he would build for himself a new place up in northern California. So he went up north of Oakland to a place called Wyntoon, and there he has built for himself a Bavarian village, a marvelous Bavarian castle; and there he and his friends gather and loll in luxury, while the men who work for him are working under wage and other conditions which are a disgrace to the newspaper profession of the country.

While Mr. Hearst was spending $15,000,000 to build this Bavarian castle at Wyntoon, while he was getting $500,000 a year in salary, while he was boasting of the fact that never at any time during the depression had he failed to pay dividends to himself and his other stockholders, he was putting into effect three separate and distinct reductions of 10 percent each in the salaries of his employees.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. Is it not also true that Mr. Hearst maintains in his organization what the boys in his employ know as a "butcher" who circulates around among his employees, firing men instanter? And did not the "butcher" come to Washington recently, and just instanter fire about 15 men off the Times and Herald?

Mr. SCHWELLENBACH. Yes; and at any time any one of his employees or any group of his employees attempt to protest against that sort of action, or attempt to organize under any law that may have been passed, Mr. Hearst and his "stooge", Elisha Hanson, rushed behind the Constitution, and used the Constitution and the freedom of the press to protect them in their right to reduce wages and to reduce the forces of the various Hearst papers.

A survey made a few years ago by the Washington Newspaper Guild showed that the Hearst papers paid the lowest scale to their editorial staffs and to their mechanical staffs of any newspapers in the country; and despite the fact that there were three 10-percent cuts while Mr. Hearst was building his $15,000,000 Bavarian castle at Wyntoon, so that his and his Hollywood movie stars might enjoy themselves. Up in the press gallery now are men who at this minute are writing articles for Mr. Hearst and sending them out over the wire. Those articles will be critical of this committee. Those articles will be critical of the argument I am presenting. These men have to write critical articles. They are forced by the whip of economic necessity to work for Mr. Hearst. They have families which must be fed; yet they know in their inner hearts that there is not any man in the country today more despised by the people who work for him than William Randolph Hearst.

Mr. President, in view of the fact that these remarks involve a rather lengthy discussion of Mr. Hearst's career, there may be some who feel that I am going back too far into history. I wish to open my remarks by reading a brief paragraph from Oswald Garrison Villard in a book entitled "Some Newspapers and Newspapermen":

> Undoubtedly it is the shortness of the American public's memory that is Hearst's best ally. People simply do not remember. Every journalist knows that; every journalist knows that he must begin a "story" of past events with a recital of facts which every thoughtful person ought to recall. Who remembers today the wicked and dastardly part which Hearst played in bringing on the War with Spain? Who remembers his strident appeals then to the basest of passions? Who remembers the bitter outcry against him? Only a few; and it is a question, not of years but of months, before even the members of our university clubs will have only a vague idea as to what Hearst did or did not do during the World War. Time is thus the chief ally of Hearst and of his type of journalist. But even time cannot wholly efface certain facts. Hearst the man has recently been called "one of the most melancholy figures of our time." He has done more to degrade the entire American press than anyone else in its history—more than Pulitzer and both the Bennetts combined. He has achieved enormous material success—it is said that his net profit in 1922 amounted to $12,000,000—but he is without popular respect or regard. He is a man dreaded and feared, much sought after by a type of politician, but he has never been personally beloved, never even by those deluded fellow citizens of his who at times made the welkin ring with their cheers for him during campaigns which have almost invariably resulted in his defeat. A man of mystery, he will never be anything else than anathema to great masses of citizens. If at times he is the champion of the poor and oppressed, he has no personal following of the kind that worshipped Roosevelt. Millions will read him, but following him is a different matter.
>
> Men have not stuck to Hearst in great numbers and with enthusiasm always at white heat, because of just doubts as to his sincerity and intellectual honesty. Let it be set down at once that Hearst is as unstable as the winds; like them he can blow hot in Chicago and cold in Atlanta or Boston at the same time. Thus when his newspapers published an appeal to the Governor of Georgia that the life of the unfortunate Frank be spared, it was carefully omitted from Hearst's Atlanta newspaper, where its publication would have made him unpopular. So it constantly happens that his newspapers advocate different policies in different cities. Similar examples of this yielding to expediency, of this moral and political instability, could be multiplied indefinitely.

Mr. President, that is the statement of Mr. Villard in reference to Mr. Hearst, and it is because of the statement of the necessity for reminding people as a result of the shortness of memory that I am going back into the history of Mr. Hearst's newspaper exploits over quite a period of years.

In view of the fact, however, that the newspaper fraternity as a whole has joined with Mr. Hearst in this attack upon the committee, I am going to start with an incident which occurred during the World War.

As Senators know, Mr. Hearst owns and controls the International News Service. During the war, because of the use of the customary "Hearstian" practices in the handling of news out of the nations of Europe, prior to our entry into the war, first England, then France, then Canada, and then several others of the allied countries, denied to Mr. Hearst and the International News Service the use of the wires out of those countries. It appeared at that time that the International News Service had suffered an almost fatal blow, it being impossible for it to secure war news for the users of its service in the United States. Yet, mysteriously the International News Service was able to continue day by day providing the news of war conditions to the people of the United States through the International News Service. It was a mystery that could not be understood, and, finally, the Associated Press took upon itself the task of making an investigation.

The Associated Press attempted, by a process of elimination, to discover from what source this news was coming. They were convinced that some representative of the Associated Press was giving out news to the Hearst service immediately it was received by the Associated Press in this country. Finally, by a process of elimination, they reached a certain telegraph editor in the city of Cleveland, and they decided to test out their fears. So there was given to this telegraph editor in the normal way through the Associated

Press wires a story about a battle which had occurred upon the eastern front in which the Russian Army had received a crushing blow. The battle never occurred; there was no such battle; and the Russian Army did not receive the blow. But the Russian general, General "Nelotsky", was killed in this battle. Lo and behold, immediately the story was put through the Cleveland telegraph office, the International News Service throughout the country commenced to print the story of this battle, of the death of General "Nelotsky", and of the fact that the Russians had received this crushing blow.

Then the Associated Press knew the facts, and they started a suit against the International News Service, and the suit was taken to the Supreme Court of the United States. The contention upon the part of the Associated Press that Mr. Hearst and his International News Service had secured this news through the medium of bribing an employee of the Associated Press was established. If anyone has any doubt about it, he can read the opinion of the Supreme Court. The title of the case is *The International News Service* v. *The Associated Press* (248 U. S. 215).

I do not need to characterize the method by which this news was secured by Mr. Hearst. The Associated Press characterized it. The name of the general was "Nelotsky." Just stop and think of that a moment. It needs the "ky" on the end to make it a Russian name, but the first part of it is the word "stolen" with the letters reversed.

The securing of news by larceny and bribery was the charge which the Associated Press made and sustained against William Randolph Hearst, this man who talks about the sacredness of the press and the sacredness of telegraph wires.

He bribed a telegraph operator and stole the news. And let it be said to the eternal disgrace of the American newspaper profession that the Associated Press did not have the courage to remove Mr. Hearst from membership in that organization.

Mr. President, that occurred during war times, and I think it might well be to think a little about Mr. Hearst's attitude. He is a patriot! Just a few days ago there was disclosed in the House of Representatives a telegram under the terms of which the editor of Hearst's Washington paper was directed to declare that a Member of the other body, an honored Member, the chairman of the Committee on Military Affairs of that body, a man who had twice offered his life in defense of his country, was a traitor to the country. When we made the telegram public, Mr. Hearst and Elisha Hanson raised their hands in holy horror and said that was terrible.

Let us see a little more about Mr. Hearst's papers and their attitude during the World War. On February 25, 1917, a telegram was sent by Mr. Hearst to Mr. S. S. Carvalho, the editor of the New York American. Senators will remember the conditions existing in the spring of 1917. They will remember the severance of diplomatic relations with Germany. They remember the attitude of mind of the American people, and the absolute necessity, if we were to attempt to avoid entrance into that war, that nothing be done to disturb that attitude of mind.

What did Mr. Hearst, the great patriot, do? He sent this telegram to his New York editor:

> Please keep standing in American across top of the editorial page the verses of The Star-Spangled Banner as originally written. Please keep standing in evening paper the verses printed in American, reproduced from Harper's Weekly during the Civil War, and referring to shipment of arms by England to South America.
>
> (Signed) HEARST.

That was a very patriotic thing to do, at a time, mind you, when everybody recognized the necessity of maintaining the stability of mind of the American people!

Let us see the real motive behind that telegram. On March 3 he sent another telegram to the same paper:

> If situation quiets down please remove color flags from first page and little flags from inside pages, reserving these for special occasions of a warlike or patriotic kind. I think they have been good for this week, giving us a very American character and probably helping to sell papers, but to continue effective they should be reserved for occasions.
>
> (Signed) HEARST.

"They probably have helped to sell papers." This man, with his innate greed and selfishness, with his absolute lack of any regard for the American people, was doing anything "to sell papers", realizing, as he must have realized, that if we got into that war thousands of Americans would go overseas and participate in the war, and all that would remain for their fathers and mothers would be a memory of a white cross upon the poppy covered fields of France; realizing, worse than that, that these men might come back and be in the condition in which have seen them in dozens of American veterans hospitals, their lungs destroyed by gas, coughing, bleeding, gradually disintegrating unto death; or even worse than that, as I have seen them in a number of American psychiatric hospitals, I remember one boy who at regular intervals would take a dive under the bed, because of the fact that the barrage was about to start. That is what William Randolph Hearst was playing with when he put those American flags upon the pages of the New York American.

What did he do? He calmly and blandly said, "It probably helps sell papers." That is the patriot who has the temerity to attack, through his editorial columns, that distinguished and honored patriot, the chairman of the Military Affairs Committee of the House of Representatives.

Mr. President, let us go back to the Spanish-American War and consider the matter of patriotism and the matter of using wars for the purpose of selling newspapers. As I indicated a little while ago, when Mr. Hearst's father died he left his son a considerable fortune, and his first newspaper venture was in San Francisco in the form of the San Francisco Examiner. He was very successful with that, and he wanted new fields to conquer, so about 1895 he came back to New York City and picked up a small paper there, which had been very unsuccessful, a paper known as the New York Journal. The name of that paper was later changed to the New York American, and in the discussions about it the names are sometimes used interchangeably.

Mr. Hearst participated in the campaign of 1896 without very much success. Then there came the necessity for making a financial success of the New York Journal or the New York American. I do not ask Senators to take my word for it, but I desire to read just briefly from a story written by the man who at that time was the editor in chief of the New York Journal, in Mr. Hearst's employ.

His name is Willis J. Abbot. He later became the editor of the Christian Science Monitor, and, I believe, is now a member of the editorial staff of the Christian Science Monitor. He wrote a book entitled "Watching the World Go By", and in it he told about Mr. Hearst's activity immediately prior to the Spanish-American War, which deals directly upon this question of sacredness and sanctity of papers, the sacredness and sanctity of telegrams, and the sacredness and sanctity of documents.

On page 213 of this book by Mr. Abbot we find the following language:

> "Cuba libre!" ("Free Cuba!") became the password in the American offices, and our editorial rooms were haunted by dark, undersized men who spoke in whispers and revealed to the very cub reporters secrets which should have made thrones topple. * * * Much of the information which those gentlemen thrust upon us was too easily disproved by the friends of peace, so Hearst sent his own men down to the island to ferret out more convincing evidence of Spanish brutality—and if necessary, to manufacture it. The most distinguished pair thus employed were Richard Harding Davis, novelist, and Frederick Remington, famous as an artist drawing pictures of frontier life. Very zealous indeed were these gentlemen. As a fruit of their observations and collaboration, there appeared in the Journal a three-column drawing by Mr. Remington showing a Cuban girl in a steamer stateroom, stripped to the skin, while three brutal and lascivious Spaniards were searching her garments for treasonable documents. The vessel was the American ship *Olivette* and the Journal cried, "Does our flag protect women?" A resolution of inquiry was straightway introduced into Congress, and the fires of chivalric American manhood had begun to crackle, when the unspeakable World produced the young lady herself, who declared in horror that nothing of the sort had ever happened. She and another young Cuban senorita suspect had indeed been searched, but by a discreet matron in a private cabin, while the officers remained outside. The correspondents hastily produced their alibis. Mr. Davis pointed out that his copy nowhere charged that the search

was conducted by men. Mr. Remington averred as the story did not say that women were the officials, he was entitled to suppose that men were involved. It was characteristic of the Hearst methods that no one suffered for what in most papers would have been an unforgivable offense, and I never heard the owner of the paper, in public or in private, express the slightest regret for the scandalous "fake."

I shall read of another incident described by Mr. Abbot:

One incident that disturbed the harmony of our editorial rooms for as much as 48 hours was the publication of a photograph showing, according to its caption, Spanish soldiers driving Cuban patriots into the sea, at the point of the bayonet, to be wretchedly drowned. It was very convincing. The camera, we all knew, could not lie, and a most illuminating editorial on the callous indifference of Spaniards to human life accompanied the picture. All went well for a day or two, when a loathsome contemporary appeared with the same photograph, showing it to have been a picture of a bathing beach in Cuba. The callous Spanish soldiery had been pasted in. Did the responsible editor suffer? Not at all. His whole life has been spent in high places in the Hearst service.

Proceeding, Mr. President, with the quotation from Mr. Abbot, who was, as I reminded the Senate, the editor in chief of the Hearst newspaper at that time:

* * * Hearst was accustomed to refer to the war, in company with his staff, as "our war", and his famous cable to Remington, when the artist wearied of life in Cuba and pleaded for recall on the ground that there would be no war, emphasized this sense of personal proprietorship.

"You furnish the pictures; I'll furnish the war" (William Randolph Hearst), cabled the editor, and speedily made good on that promise.

How did he make good? On February 9, 1898, there appeared the following in the New York Journal:

THE WORST INSULT TO THE UNITED STATES IN ITS HISTORY—SPAIN'S MINISTER CALLS PRESIDENT M'KINLEY A "LOW POLITICIAN, CATERING TO THE RABBLE"

Monstrous language used by Dupuy De Lome in a letter to Senor Canalejas, wherein he denounces everything American and exposes the fact that Spain's commercial negotiations are only a blind for effect.

What happened then? Let me refer again to Mr. Abbot:

Early in 1898 the value to the Journal of the crowd of Cuban conspirators who hung about its office was made evident. I was called one night to the office of Sam Chamberlain, the managing editor, who handed me a letter in Spanish with its translation, while the little Cuban insurrecto, Palma, stood by smiling with the air of one who had won a victory. The letter turned out to be a personal one from the Spanish Minister, Dupuy de Lome, to a friend in Cuba. It had been stolen, of course, from the Habana post office by a sympathizer with the revolution—

This is the same William Randolph Hearst who talked about the sacredness of telegrams and of documents—

It had been stolen, of course, from the Habana post office by a sympathizer with the revolution. Compunctions concerning the manner in which it was obtained did not, however, trouble the Hearstian mind. Anyone could see that it made De Lome's continuance at Washington impossible and added another count to the indictment rolling up against Spain.

Within a week after that time, with the destruction of the *Maine*, we were headed to war, which, as Mr. Abbot said, Mr. Hearst always referred to as "our war." "You furnish the pictures, I'll furnish the war!" And he proceeds to use as the incident a document which had been stolen from the mail in a post office. The sacrosanct, pious individual who now would castigate the Senate because it attempts to use subpenas to get telegrams did not hesitate to use a letter stolen from a Cuban post office.

But what was the result? The result was perfect. By February 24 the circulation of the New York Sunday Journal had gone up to 200,000. By the same date the circulation of the Evening Journal had increased to 519,032; and by May 2, 1898, the day of Dewey's victory at Manila, the circulation of the New York Journal, as the result of the operation of its war which it incited and which Mr. Hearst called his war—the circulation of the Journal had increased to 1,600,000.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. BLACK. I should like to ask the Senator a question. As I recall, volunteers were called for in that war. May I ask the Senator whether or not the newspapers show that Mr. Hearst volunteered to fight in his war, or did he leave the fighting to be done by other people?

Mr. SCHWELLENBACH. The only participation that Mr. Hearst personally took in the war was of a newspaper nature in an effort to gain scoops upon other newspapers in the city of New York. Mr. Hearst did not volunteer. He never has participated in any military activity. His position is that of using military activities in order that he may increase the circulation of the newspapers in which he has his money invested. What difference did it make to Mr. Hearst if as the result of that war hundreds and thousands of young men were sent down into the tropical country and returned sick and disabled, and even today are suffering as the result of tropical diseases acquired at that time? What difference did it make to him? The circulation of the New York Journal increased to 1,600,000.

Then at the conclusion of the war another Hearstian method of getting news appeared. On the 1st of January 1899 there appeared in the New York Journal the first publication of the Paris protocols and peace treaties. Prior to the time they had been made public, prior to the time the Senate of the United States had any opportunity to know what was in them, prior to the time that even the President of the United States had an opportunity to know what was in them, a representative of William Randolph Hearst went into the offices where the protocols were being prepared, stole them, and sent them to Mr. Hearst, and this man who believes in the sanctity of correspondence and of documents printed them despite the fact that by printing them he might make it impossible for a treaty to be effectually negotiated.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. In France, however, they did not have a constitution containing a fourth amendment which protected persons against unreasonable search and seizure.

Mr. SCHWELLENBACH. I think the Senator's observation is quite pertinent.

It is a peculiar thing, Mr. President, that the leader of the movement in this country today toward fascism, the man who when he returned after a visit with Mr. Hitler in Germany editorially praised Mr. Hitler, the man who more than anybody else is advocating fascism in this country—and under fascism Senators know what remains of personal liberty or freedom of the press—this man is the same William Randolph Hearst who today is so ardent in his protection of the rights of the people under the Constitution.

(At this point the Senate, sitting as a Court of Impeachment, resumed its session, and Mr. SCHWELLENBACH yielded the floor for the day.)

IMPEACHMENT OF HALSTED L. RITTER

The VICE PRESIDENT. The hour of 1 o'clock having arrived, to which yesterday the Senate, sitting as a Court of Impeachment, took a recess, the Senate, sitting as a Court, is now in session for the trial of the articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida.

The managers on the part of the House of Representatives were announced by the secretary to the majority, and they were conducted to the seats assigned them.

The respondent, Halsted L. Ritter, accompanied by his counsel, Frank P. Walsh, Esq., and Carl T. Hoffman, Esq., entered the Chamber and took the seats assigned them.

The VICE PRESIDENT. The Sergeant at Arms will make proclamation.

The Deputy Sergeant at Arms made the usual proclamation.

The VICE PRESIDENT. The Chair will inquire if there are any Senators present who have not taken the oath as members of the Court?

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Borah	Byrd
Ashurst	Benson	Brown	Byrnes
Austin	Bilbo	Bulkley	Capper
Bachman	Black	Bulow	Caraway
Barbour	Bone	Burke	Carey

Chavez	Hale	McNary	Sheppard
Clark	Harrison	Maloney	Shipstead
Connally	Hatch	Metcalf	Smith
Coolidge	Hayden	Minton	Steiwer
Copeland	Holt	Moore	Thomas, Utah
Couzens	Johnson	Murphy	Townsend
Davis	Keyes	Murray	Truman
Donahey	King	Norris	Vandenberg
Duffy	La Follette	O'Mahoney	Van Nuys
Fletcher	Lewis	Overton	Wagner
Frazier	Logan	Pittman	Walsh
George	Lonergan	Pope	Wheeler
Gibson	Long	Radcliffe	White
Glass	McGill	Robinson	
Guffey	McKellar	Schwellenbach	

Mr. LEWIS. I reannounce the absence of certain Senators for the reasons given on the previous roll call, and ask to have the announcement stand for the day.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

The Chair will now administer the oath to any Senators present who have not taken the oath as members of the Court.

Mr. NYE rose, and the oath was administered to him by the Vice President.

Mr. ASHURST. I ask unanimous consent that the Journal of the proceedings of the last session of the Senate, sitsitting as a Court of Impeachment, be considered as having been read and approved.

The VICE PRESIDENT. Without objection, it is so ordered.

What is the pleasure of the Court?

Mr. ASHURST. Mr. President, this is the appropriate time for the managers on the part of the House and counsel for the respondent to enter finally into an agreement, or for the Senate to make some order as to the pleadings.

The VICE PRESIDENT. The Chair recognizes the managers on the part of the House to present the amended pleadings.

Mr. Manager SUMNERS. Mr. President, on behalf of the managers on the part of the House, I desire to present the amended pleadings, which have been authorized by the House. It has been suggested to the managers on the part of the House by some Members of the Senate that if the substance of the amendments could be stated, instead of having the amendments read, it would comport with the convenience of the Senate.

Mr. ASHURST. Mr. President, if there be no objection from any Senator and no objection from the managers on the part of the House, and no objection from counsel for the respondent, I ask unanimous consent that the managers on the part of the House be permitted to state the substance of their amendments, and that the amendments be printed for the use of the Senate as a Court, and also that the House be notified of the action taken.

The VICE PRESIDENT. Does the Senator desire, in addition, to ask that the amended pleadings be printed in the RECORD for the benefit of Senators?

Mr. ASHURST. I make that request, and that, instead of being read, the amended pleadings be formally stated.

The VICE PRESIDENT. That was the procedure in the cases heretofore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. TYDINGS. Due to serious illness in the home of my mother, which will probably necessitate my absence during a portion of the trial, I ask unanimous consent to be excused from such attendance as may be necessary while I am away, and also from voting upon the evidence produced in this case.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is excused.

The Chair recognizes Mr. Manager SUMNERS.

Mr. Manager SUMNERS. Mr. President, as counsel for the respondent have been supplied with copies of the amended pleadings, and as, under the order of the Senate, they are to be printed, I will make the statement just as brief as possible.

There are three new articles which, in the main, make up the amended pleadings.

The VICE PRESIDENT. It has been suggested to the Chair that he suggest to the manager on the part of the House, in order that he may be better understood, that while speaking he occupy a place at the desk.

Mr. Manager SUMNERS (speaking from the desk in front of the Vice President). Mr. President, two of the articles now presented, incorporated in the amended pleadings, have to do with income-tax matters; one of the provisions has to do with the practice of law.

There are certain alterations in two of the other articles, but I believe it is not necessary for me to indicate what they are, because they are perfectly obvious from an examination of the pleadings.

With this brief statement, Mr. President, unless it is desired that the managers on the part of the House make a more extended statement with regard to the amendments, I have concluded.

The VICE PRESIDENT. What is the pleasure of the Court?

Mr. ROBINSON. Mr. President, may I inquire how long it would take to read the amendments to the pleadings?

Mr. Manager SUMNERS. They are not very short.

Mr. ROBINSON. I fear that the amendments are not fully understood by those who have heard the statement that has been made. Perhaps the manager on the part of the House will elaborate his statement a little, so as to make clearer the nature of the changes.

The VICE PRESIDENT. Does the Senator ask that the pleadings may be read?

Mr. KING. I approve of their being read.

Mr. ROBINSON. I believe that the pleadings should be read.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk proceeded to read the amendments to the articles of impeachment.

During the reading,

Mr. Manager SUMNERS. Mr. President, may I presume to make the statement, with the consent of the Senate, that the next article, which is very long, is identical with the original article, except that the new articles which have been read are referred to in article VII, and there is a change in tense. The next article is a very long one; and I thought possibly that statement might save the reading of that particular article.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). What is the pleasure of the Senate?

Mr. ROBINSON. Mr. President, in view of the statement made by the manager on the part of the House, I ask that the further reading of the amendments to the articles of impeachment be dispensed with.

The PRESIDING OFFICER. Have the honorable attorneys for the respondent any objection to that procedure?

Mr. HOFFMAN. They have no objection, Mr. President.

Mr. ASHURST. Very well.

The PRESIDING OFFICER. Without objection, then, the further reading will be dispensed with.

The amendments to the articles of impeachment are, in full, as follows:

AMENDMENTS TO ARTICLES OF IMPEACHMENT AGAINST HALSTED L. RITTER

(H. Res. 471, 74th Cong., 2d sess.)

CONGRESS OF THE UNITED STATES OF AMERICA,
IN THE HOUSE OF REPRESENTATIVES,
March 30, 1936.

RESOLUTION

Resolved, That the articles of impeachment heretofore adopted by the House of Representatives in and by House Resolution 422, House Calendar No. 279, be, and they are hereby, amended as follows:

Article III is amended so as to read as follows:

"ARTICLE III

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373) making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the

employment of the law firm of Ritter & Rankin (which, at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of *Trust Co. of Georgia and Robert G. Stephens, Trustee,* v. *Brazilian Court Building Corporation et al.,* no. 5704, in the circuit court of the fifteenth judicial circuit of Florida, and after the fee of $4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter & Rankin, and after Halsted L. Ritter had, on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter, on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case, that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that 'this matter is one among very few which I am assuming to continue my interest in until finally closed up'; and stating specifically in said letter:

"'I do not know whether any appeal will be taken in the case or not, but, if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and that the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give'; and further that he was, 'of course, primarily interested in getting some money in the case', and that he thought '$2,000 more by way of attorneys' fees should be allowed'; and asked that he be communicated with direct about the matter, giving his post-office box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael & Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael & Eisner, was one of the directors, was drawn, payable to the order of 'Hon. Halsted L. Riter' for $2,000 and which duly endorsed 'Hon. Halsted L. Ritter—H. L. Ritter', and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said $2,000 had been received, without consulting with his former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

"At the time said letter was written by Judge Ritter and said $2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"After writing said letter of March 11, 1929, Judge Ritter further exercised the profession or employment of counsel or attorney, or engaged in the practice of the law, with relation to said case.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

By adding the following articles immediately after article III, as amended:

"ARTICLE IV

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that Judge Ritter did exercise the profession or employment of counsel or attorney, or engage in the practice of the law, representing J. R. Francis, with relation to the Boca Raton matter and the segregation and saving of the interest of J. R. Francis therein, or in obtaining a deed or deeds to J. R. Francis from the Spanish River Land Co. to certain pieces of realty, and in the Edgewater Ocean Beach Development Co. matter, for which services the said Judge Ritter received from the said J. R. Francis the sum of $7,500.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of the law above recited, and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE V

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1929 said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of some $12,000, yet paid no income tax thereon.

"Among the fees included in said gross taxable income for 1929 were the extra fee of $2,000 solicited and received by Judge Ritter in the Brazilian Court case as described in article III, and the fee of $7,500 received by Judge Ritter from J. R. Francis.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE VI

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as a United States district judge for the southern district of Florida was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1930 the said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of, to wit, $5,300, yet failed to report any part thereof in his income-tax return for the year 1930, and paid no income tax thereon.

"Two thousand five hundred dollars of said gross taxable income for 1930 was that amount of cash paid Judge Ritter by A. L. Rankin on December 24, 1930, as described in article I.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

Original article IV is amended so as to read as follows:

"ARTICLE VII

"That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

"The reasonable and probable consequence of the actions or conduct of Halsted L. Ritter, hereunder specified or indicated in this article, since he became judge of said court, as an individual or as such judge, is to bring his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as such judge:

"1. In that in the Florida Power Co. case (*Florida Power & Light Co.* v. *City of Miami et al., no.* 1183–M–Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States, authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of $5,000, although he performed little, if any, service as such, and in the order making such allowance recited: 'And it appearing to the court that a minimum fee of $5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause.'

"2. In that in the Trust Co. of Florida cases (*Illick* v. *Trust Co. of Florida et al.,* no. 1043–M–Eq., and *Edmunds Committee et al.* v. *Marion Mortgage Co. et al.,* no. 1124–M–Eq.) after the State banking department of Florida, through its comptroller, Hon. Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said Illick case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal, the United States Circuit Court of

Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the Edmunds Committee case, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Hon. Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932, J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court intc the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties, Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Hon. J. M. Lee succeeded Hon. Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Co. of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals which held that the State officer was entitled to the custody of the property involved and that said Eaton and Stearns as receivers were not entitled to such custody. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some $26,000 as fees out of said trust-estate properties and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

"3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to $4,500 from his former law partner as alleged in article I hereof, other large fees or gratuities, to wit, $7,500 from J. R. Francis, on or about April 19, 1929; J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge; and on, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of $2,000 from Brodek, Raphael & Eisner, representing Mulford Realty Corporation, as its attorneys, through Charles A. Brodek, senior member of said firm and a director of said corporation, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"4. By his conduct as detailed in articles I, II, III, and IV hereof, and by his income-tax evasions as set forth in articles V and VI hereof.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office."

JOSEPH W. BYRNS,
Speaker of the House of Representatives.

Attest:
[SEAL] SOUTH TRIMBLE, *Clerk.*

The PRESIDING OFFICER. What is the pleasure of counsel for the respondent with reference to the amendments?

Mr. HOFFMAN. Mr. President, with reference to the amendments, we ask the honorable Senate, sitting as a Court of Impeachment, to grant to us ample time within which to file our response to the amended or new articles. If I may be permitted to do so, I suggest that 48 hours will be ample time. We have no desire to take time that would interfere with the present arrangement for trial on the 6th of April.

The PRESIDING OFFICER. Counsel for the respondent has indicated that 48 hours would be ample time. Is there objection to that?

Mr. Manager SUMNERS. There is no objection on the part of the managers for the House.

The PRESIDING OFFICER. What is the pleasure of the Court? Is there objection?

Mr. ASHURST. Mr. President, am I correct in the understanding that the honorable counsel for the respondent are granted 48 hours within which to reply to all the pleadings?

Mr. HOFFMAN. Just the new articles. We are ready to file pleadings this morning directed to articles I, II, III, and the original article IV, which is now article VII.

Mr. ASHURST. Very well, Mr. President; I am sure there will be no objection to counsel for the respondent being granted 48 hours; and now is the appropriate time for counsel for the respondent to exhibit their reply to the various articles heretofore presented.

The PRESIDING OFFICER. There being no objection, the 48 hours requested will be allowed, and the Court will now hear counsel for the respondent.

Mr. ASHURST. Would the attorney for the respondent object to taking a place on the rostrum? It would facilitate audition very much, if there is no objection.

Mr. HOFFMAN. There is no objection, sir.

The PRESIDING OFFICER. There is no objection.

MOTION TO STRIKE CERTAIN ARTICLES

Mr. HOFFMAN (speaking from the desk in front of the Vice President). Mr. President, at this time the respondent presents his motion to strike article I, or, in the alternative, to require of the prosecution election as to whether it will stand upon article I or upon article II, and to strike article VII as it is under the present arrangement of the pleadings. We ask that this motion be filed and read.

The PRESIDING OFFICER. The clerk will read the motion.

The Chief Clerk read as follows:

In the Senate of the United States of America sitting as a Court of Impeachment. *The United States of America* v. *Halsted L. Ritter, respondent*

MOTION TO STRIKE ARTICLE I, OR, IN THE ALTERNATIVE, TO REQUIRE ELECTION AS TO ARTICLES I AND II; AND MOTION TO STRIKE ARTICLE VII

The respondent, Halsted L. Ritter, moves the honorable Senate, sitting as a Court of Impeachment, for an order striking and dismissing article I of the articles of impeachment, or, in the alternative, to require the honorable managers on the part of the House of Representatives to elect as to whether they will proceed upon article I or upon article II, and for grounds of such motion respondent says:

1. Article II reiterates and embraces all the charges and allegations of article I, and the respondent is thus and thereby twice charged in separate articles with the same and identical offense, and twice required to defend against the charge presented in article I.

2. The presentation of the same and identical charge in the two articles in question tends to prejudice the respondent in his defense, and tends to oppress the respondent in that the articles are so framed as to collect, or accumulate upon the second article, the adverse votes, if any, upon the first article.

3. The Constitution of the United States contemplates but one vote of the Senate upon the charge contained in each article of impeachment, whereas articles I and II are constructed and arranged in such form and manner as to require and exact of the Senate a second vote upon the subject matter of article I.

MOTION TO STRIKE ARTICLE VII

And the respondent further moves the honorable Senate, sitting as a Court of Impeachment, for an order striking and dismissing article VII, and for grounds of such motion, respondent says:

1. Article VII includes and embraces all the charges set forth in articles I, II, III, IV, V, and VI.

2. Article VII constitutes an accumulation and massing of all charges in preceding articles upon which the Court is to pass judgment prior to the vote on article VII, and the prosecution should be required to abide by the judgment of the Senate rendered upon such prior articles and the Senate ought not to countenance the arrangement of pleading designed to procure a second vote and the collection or accumulation of adverse votes, if any, upon such matters.

3. The presentation in article VII of more than one subject and the charges arising out of a single subject is unjust and prejudicial to respondent.

4. In fairness and justice to respondent, the Court ought to require separation and singleness of the subject matter of the charges

in separate and distinct articles, upon which a single and final vote of the Senate upon each article and charge can be had.

(Signed) FRANK P. WALSH,
CARL T. HOFFMAN,
Of Counsel for Respondent.

The PRESIDING OFFICER. The Court will now hear the honorable managers on the part of the House.

Mr. KING. Mr. President, I venture to suggest that the representative of Judge Ritter might desire to make some observations.

The PRESIDING OFFICER. The presentation will be made. The Chair simply desired from the managers on the part of the House their views with reference to the motion.

Mr. KING. But I had reference to one of the counsel for Judge Ritter. I suggested that it is possible that he might desire to submit something in support of his demurrer, or motion to strike, before the honorable managers on the part of the House desire to respond.

The PRESIDING OFFICER. Opportunity for that course will be afforded.

Mr. KING. If counsel does not so desire, I have no objection.

Mr. Manager SUMNERS. Mr. President, may the managers on the part of the House inquire as to the procedure in testing the validity of the motion to strike? Counsel for the respondent has read the motion to strike. It has not been supported by argument, except the argument stated in the motion. The managers on the part of the House, of course, desire to resist the motion to strike. Do I understand—and I am inquiring for information—that the managers on the part of the House are at this time to present the reasons why, in their judgment, the motion to strike ought not to be sustained?

The PRESIDING OFFICER. The Chair may say this as a ruling, if it meets with the approval of the Court:

Counsel for the respondent will present argument in support of the motion to strike, after which the managers on the part of the House will have an opportunity to be heard.

Mr. Manager SUMNERS. Thank you very much, Mr. President.

Mr. HOFFMAN. May I proceed, Mr. President?

The PRESIDING OFFICER. Counsel may proceed.

Mr. HOFFMAN. Mr. President, taking up first the motion insofar as it relates to articles I and II—and I shall be as brief as I possibly can in presenting the motion—article I charges the corrupt receipt by Judge Ritter of $4,500 from a former partner, A. L. Rankin, and alleges the primary source of the fund from which the $4,500 was paid to be a fee allowed to Rankin in what is known as the Whitehall case, a foreclosure proceeding then pending before Judge Ritter.

That is the substance of article I.

Article II elaborates upon the same subject matter contained in article I—namely, the Whitehall case—and charges, first, an arrangement between three others and Judge Ritter to institute and maintain that particular litigation in the court of Judge Ritter; secondly, the allowance of exorbitant fees by Judge Ritter in connection with that litigation; and, third, the corrupt receipt by Judge Ritter of the same $4,500 from Rankin, derived from the same primary source which is charged in article I. So that article II embraces and includes everything that is charged in article I in the identical and same phraseology that is found in article I. Therefore we have moved to strike article I, because article II covers the same and identical subject matter and the same substantive offense. The result is injustice and embarrassment to the defendant, in that he is required twice to defend the charge presented in article I.

Under those circumstances we believe that article I should be stricken and dismissed, or that the prosecution should be required to elect as to whether it will proceed under article I or article II. We believe that the respondent ought not to be required twice to answer and defend the subject matter of article I, and we believe that the prosecution ought not to be permitted by such an arrangement of pleading of that particular offense to receive or exact from the Senate two votes upon the same charge, but that, when once voted upon, the vote of this body should be final upon that particular charge.

As we analyze it, the adoption or reiteration in article II of all that is charged in article I results in a collective or accumulative arrangement of the adverse vote, if any, upon article I to augment the adverse vote, if any, upon article II, which is decidedly unjust to the respondent. So, in justice to the respondent, we ask in this motion that election be required, or that article I be dismissed.

So much for the motion insofar as articles I and II are concerned.

The motion as directed to article VII presents two serious objections to the form and frame of the charges in article VII.

In article VII from six to eight separate and distinct and unrelated offenses are set out in one article. In paragraph numbered 1 of article VII a charge is laid of misconduct in connection with the litigation known as the Power Rate case. In paragraph numbered 2 of article VII, charges of misconduct of the respondent are made with respect to the litigation known as the Trust Co. of Florida litigation. Paragraph 3 of article VII charges the receipt by the respondent of certain fees and gratuities—namely, the $4,500 item made the basis of the charge in article I and in article II; a $7,500 item made the basis of the charge in article IV; and a $2,000 item made the basis of the charge in article III.

Then paragraph 4 of article VII by reference adopts and makes a vital and substantive part of article VII all of the articles preceding, namely, articles I, II, III, IV, V, and VI.

The result of that arrangement, as we see it, is that it is decidedly unjust to the respondent to be required to meet a massed or cumulative charge of that nature.

One vital question which we present in connection with our pleadings as to article VII is the duplicity of the pleadings. No single count of any criminal indictment or information should contain more than one separate and distinct charge. No two charges could be presented in any criminal prosecution in any one count of an indictment. All separate crimes in a criminal proceeding must be made the subjects of separate and distinct counts, for each count is the statement of a separate and distinct offense and stands upon its own footing.

The reason for the rule in criminal procedure is that the verdict must be an entirety, and the jury cannot find a defendant guilty of part of a charge or count or indictment and not guilty of the remainder, but must return the verdict as an entirety upon the whole count or article. So it is here—that the vote, I take it, will be upon the entire article, and that this body sitting as a Court of Impeachment will not vote upon the numbered paragraphs or upon the specific charges, but will vote upon the massed charges of the article.

These charges are all of separate, distinct, substantive offenses. None is dependent upon the other. They are unrelated.

I am not going to take the time of the Senate to quote the authorities upon the subject of duplicity. They are too numerous, and the members of the Court are familiar with those authorities. I am going to leave the question of duplicity with the statement that the general rule in criminal proceedings is that a charge against an accused must be stated in such a manner as to render the indictment not subject to the objection of duplicity, for if there is duplicity, it tends to confuse the issues, creates a multiplicity of issues, and embarrasses the defendant in the preparation and presentation of his defense. There is no better established rule in criminal procedure.

In civil procedure the same method of pleading could not be sustained over objection, for several separate, distinct, and unrelated causes of action could not be pleaded in one count of a declaration in any civil proceeding. They would of necessity have to be stated as separate and distinct actions and defended as separate and distinct actions. The rule of duplicity applies in civil as well as in criminal proceedings. We know of no court in which such a massed, duplicitous pleading could be sustained, and we think that such a pleading ought not to be countenanced by this body.

One other objection which we urge to the frame and form of article VII is its collective, accumulative arrangement. Before the Senate reaches a vote on article VII the Senate will have voted upon articles I, II, III, IV, V, and VI, and it is contemplated by the Constitution, in our judgment, that the votes of the Senate upon articles I, II, III, IV, V, and VI, all the preceding articles, shall be single, definite, and final, and that there shall not be presented again in a massed, cumulative, collective arrangement in the final article, the same matters upon which the Senate will have previously passed judgment by a single and final vote upon those matters separately.

Such an arrangement is decidedly unjust to the respondent. The single, separate, and final vote upon the preceding articles should end those articles, and they should not be voted upon again in the final catch-all arrangement of article VII.

The object and purpose of such an arrangement can be but to cumulate adverse votes, if any, upon prior articles, with the hope that the cumulative or collective arrangement may be sufficient to sustain those articles in the vote upon the final article, which prior articles were not sustained when separately voted upon prior to the vote on article VII.

In a former case tried in this Court a similar arrangement of a pleading in the final article was presented, and, in an opinion filed in that case by Senator BAILEY, of North Carolina, he directed attention to just such a final article as we have here. Senator BAILEY in his opinion with reference to this same subject matter stated:

> The final article of the articles of impeachment, in my judgment, ought not to have been considered. It was a summary of the four preceding articles, a sort of catch-all designed to collect all of the votes of "guilty" on the preceding four articles, and so by accumulation to gather two-thirds of the Senate to sustain the impeachment, which could not be sustained on any of the articles or on all four considered separately. In other words, two-thirds of the Senate might have voted "not guilty" on each of the four articles, as was done—these containing the entire case—and yet two-thirds might have voted "guilty" on the fifth article, which was no stronger than the four upon which he had been found not guilty, which, fortunately, did not happen. This course is prejudiced, and it is to be hoped that it will not be repeated. A respondent ought to be tried upon the articles, and, if acquitted on each, he ought not to be convicted on all of them assembled in one article.
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> In this proceeding the effect of this method is made manifest. A majority of the Senate declared him "not guilty" on each of the four specific articles, but on the fifth, which was only a collection of the four, a majority declared him "guilty." Whereas some voted "guilty" on one article and "not guilty" on others, it appears that all who voted guilty on any article were combined by the fifth. This unsound procedure ought not to be countenanced.
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> The Senate's power to try impeachments is predicated not only upon protection of the courts, the Government, and the people, but also upon the capacity of the Senate to do justice to respondents.

Mr. President, having by this motion called the attention of the Court to the unjust and prejudicial arrangement of this pleading, which we believe is oppressive to the defendant, we ask that the Court rectify that situation and not countenance the collective and duplicitous pleading in the form of the seventh article.

The PRESIDING OFFICER. The Court will hear the managers on the part of the House of Representatives.

Mr. Manager SUMNERS. Mr. President, Senators will observe from an examination that article I charges the respondent with having corruptly received from his former law partner the sum of $4,500. Article II charges the respondent with having been a party to a conspiracy entered into with his former law partner and two or three other persons mentioned in article II. It charges a champertous proceeding on the part of those who initiated the action in the court of respondent; that the respondent was advised of the fact that that proceeding was born in champerty, and that the respondent made effective that conspiracy by holding jurisdiction in his court of this case over the protest of the owner or the controller of the $50,000 worth of bonds necessary for the attorney who filed the bill to represent in order that the court might hold jurisdiction. I do not desire to amplify that further. I merely call the attention of Senators to those two charges. An examination will show clearly that one is not a repetition of the other, though, of course, in the second there is an inclusion of the statement in the former charge that the respondent corruptly received from his former law partner the sum of $4,500 in cash paid in his office behind closed doors.

With regard to article VII and in connection with the statement of Senator BAILEY, of North Carolina, to which reference has been made, but which I have not had the opportunity to examine, it is evident that the Senate did not agree with Senator BAILEY. His statement was in the nature of a complaint against the Senate for having refused to strike exactly such an article as article VII in our pleadings. I am not advised that there was a motion to strike, but complaint was made by Senator BAILEY that the Senate had given consideration to and voted upon an article which I assume was identical with article VII, with reference to which complaint is here made.

Senators will recall that in the last impeachment case tried in this honorable Court there was such an article included. May I direct attention to just what article VII provides? I think article VII is the most rational, practical, sensible assemblying of charges that can be made in an impeachment case. What is it we are attempting to do here? This is not a criminal case. Much of the observation of counsel for the respondent had reference to the practice in criminal cases. I assume that Senators are all familiar with the fact that we in this country drifted into the observance and followed the precedents of the English procedure where an impeachment trial was a criminal proceeding, with the possibility of a judgment involving the death penalty, confiscation of property, and so forth. Having no precedents of our own in the first case, we looked, as frequently occurred in the early days of the Republic, to the English procedure for our precedent. That is evidently how we fell into the application to our impeachment procedure of the procedure usually found to be observed in criminal cases. But the House and the Senate, having examined what is the place and what are the provisions for such action under the impeachment clause of the Constitution, are, I believe, all agreed that appropriate action can be taken only in an ouster suit. When we wrote our Constitution we specifically denied to the Senate the power to punish for crime, and limited the Senate to ouster, with the possibilities of a judgment in bar.

When we look a little further into the place and provisions with respect to impeachment we see that in the exercise of the powers of the Senate there is combined a part of all the powers of Government, and they must be here.

Members of this august body must, however, answer to the people every 6 years, because they are servants of the people. Members of the House of Representatives must answer to the people every 2 years. Every 4 years the people decide who shall be President.

With regard to the judiciary, there is no place where they must answer except in this great body, and the Senate possesses all the powers that a free people enjoy in order to preserve a virtuous, efficient judiciary in America. That power must rest somewhere. It rests nowhere except here.

Mr. President and members of this honorable Court, I am going to conclude in just a very few minutes. I appreciate your interested attention, and I am not going to trespass upon it.

What does article VII charge? Article VII charges that the respondent by specifically alleged conduct has done those things the reasonable and probable consequences of which are to arouse a substantial doubt as to his judicial integrity.

We contend that that is the highest crime which a judge can commit on the bench. It is not whether he did this thing, that thing, or the other thing, but whether or not the sum total of the things he has done has made the people doubt his integrity as a judicial officer.

I beg to make this practical suggestion, that if a judge on the bench, who is in office during good behavior, by his proved acts makes the people doubt whether his court is a court where they are going to get a square deal and whether it is an honest place to go to, the Senate cannot be technical.

That is what the Senate is trying to find out about, I assume. When doubt enters, confidence departs. And when confidence in the man who sits on the bench is gone, confidence in the court is gone. We on the part of the House of Representatives charge, and we assume the responsibility of proving, and we will endeavor to convince the Senate that the sum totals of the specific charges on the part of the House specified in section 7 do in their reasonable probabilities arouse doubt. We ask the opportunity of establishing that fact, and respectfully demand at the hands of the Senate, if we do establish the fact, the judgment which ought to follow.

Mr. ASHURST. Have counsel for respondent any reply to make?

Mr. HOFFMAN. May I briefly respond, Mr. President?

The PRESIDING OFFICER. Counsel for the respondent may proceed.

Mr. HOFFMAN. Mr. President, in response to the argument presented by the managers on the part of the House, I wish merely to comment that the question presented by the motion is one of fairness and justice to the respondent in the presentation and in the answer and defense of the articles of impeachment here before the body.

I have no desire to review, as did the managers on the part of the House, the history of impeachments in England and in this country, nor to try to reconcile conflicts of opinion as to what is or what is not an impeachable offense. We present one proposition as to articles I and II, and that is that everything that is embodied within article I, in the same identical phraseology, is embodied in article II, and we ask the judgment of the Senate whether, under such circumstances, we shall be required twice to answer to the charge made in article I, and whether this Court, by that arrangement, will accord to the prosecution two votes upon the charge made in article I, when, in our judgment, the Constitution contemplates that in every court there shall be one judgment and in this Court one vote upon a charge presented against any respondent. That is the sole and only question presented by the motion with respect to articles I and II—whether the respondent shall twice be charged with the same offense, namely, the corrupt receipt of $4,500 from his former law partner, and whether also this body will permit two votes upon that charge.

So we ask that the managers on the part of the House be required to elect as to whether they will stand upon article I, abandoning the elaboration set out in article II, or whether they will stand on article II, the elaborated article, which embraces and includes everything charged in article I.

Now, with respect to article VII, it is true that at the commencement of the article it is stated that the conduct hereinafter specified tends to bring the court into disrespect and reflects upon the integrity of the Federal judiciary. That is the substance of every one of the charges, and that is the reason for the presentation of the charges, namely, the opinion of the prosecution that the acts charged do just that. But it is charged that this conduct constitutes crimes and misdemeanors for which the respondent may be impeached, and then there are numerous paragraphs setting out six or eight definite and specific unrelated charges, all alleged as crimes and misdemeanors.

The rule of duplicity is well known to every lawyer who has practiced in any court for any length of time in civil or criminal law. I say that it is well founded and fastened in criminal procedure, but it is no less the rule of law in civil proceedings. You cannot take unrelated matters in a civil pleading and mass them in one count of a declaration or pleading. You cannot sue for breach of contract upon a promissory note and upon an open account all in the same one single count of a declaration when they are unrelated and separate and distinct transactions, separate and distinct substantive acts, as is the case here in article VII.

So as to article VII we present, I say again, one question, the question of duplicity—whether duplicity of pleadings shall be permitted in a court of impeachment when they are not permitted in any other tribunal in this country. Secondly, whether or not there shall be permitted a massing or collective arrangement which evades the spirit and purpose of a single, final, ultimate, definite vote upon one specific charge under the Constitution; in other words, whether the duplicity shall prevail in this Court in pleadings, and whether or not adverse votes on previous articles can be accumulated or collected and massed on the final vote, with the hope of sustaining the charges which were not sustained when separately voted upon.

The question, so far as I have been able to ascertain, has never heretofore been presented in any pleading in any impeachment case before this body. It is for the first time, so far as I know, now presented. There was no such motion in the Louderback case.

Mr. ASHURST. Mr. President, I assume that the Presiding Officer will desire to take some time to examine all the pleadings and will not be prepared to announce a decision on this point until the next session of the Court?

The PRESIDING OFFICER. It is the opinion of the present occupant of the chair that while the necessity for early decision is apparent, the importance of the matter would justify the occupant of the chair in saying that no decision should be made until the proceedings are printed and every member of the Court has an opportunity to investigate and consider them. Is there objection to that suggestion of the Chair? The Chair hears none.

Mr. ASHURST. Do counsel for the respondent desire to ask any questions at this time?

Mr. HOFFMAN. Mr. President, I want to say that at the proper juncture I wish to file and have read the respondent's answer to article II and amended article III. The motion relates to other articles.

Mr. ASHURST. Do counsel for the respondent now file their complete answer?

Mr. HOFFMAN. To article II and amended article III. The motion is directed to article I, and as to an election between article I and article II, and to article VII.

Mr. ASHURST. Do counsel wish the answer read?

Mr. HOFFMAN. Yes; to dispose of the answer to article II and the amended article III, to suit the convenience of the Court.

Mr. ASHURST. When will the complete answer be made?

Mr. HOFFMAN. We have been granted 48 hours in which to make answer to the new articles. As to articles I and VII, whether we respond to them will depend on the action on the motion which has been made.

Mr. ASHURST. Would it be satisfactory to make a complete answer at one time?

Mr. HOFFMAN. Whatever suits the convenience of the Senate will be agreeable to us.

Mr. ASHURST. Very well. Then, Mr. President, if there be no objection, I shall ask unanimous consent that the entire answer of counsel for the respondent be submitted and read at the next session of the Court.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ASHURST. Mr. President, counsel for the respondent were granted 48 hours to answer the amended articles, which I think is appropriate; but there is a special order set for Thursday next, at 1 o'clock, and if there be no objection, I ask because of the special order that the date be set for Friday of this week, which will be a longer time than 48 hours.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. ROBINSON. Mr. President, will the Senator fix the hour?

Mr. ASHURST. I thank the Senator. I will suggest 1 o'clock.

Mr. ROBINSON. On Friday next at 1 o'clock?

Mr. ASHURST. On Friday next at 1 o'clock.

The PRESIDING OFFICER. If there is no objection, the proceedings of the Senate sitting as a Court of Impeachment will be resumed on Friday next at 1 o'clock.

Mr. HOFFMAN. Mr. President, I wish to make an inquiry. If I understand the Senator correctly, we are not to be

required to file any pleadings to the articles attacked by the motion until after the Senate has ruled upon the motion?

Mr. ASHURST. The learned counsel is correct.

Mr. HOFFMAN. And we will be apprised of the ruling of the Senate prior to Friday in order that we may be in readiness to file the answer on Friday?

Mr. ASHURST. I cannot give any assurance. The Presiding Officer may need some time to consider the pleadings and look up the precedents.

The PRESIDING OFFICER. What is the further pleasure of the Court?

Mr. ASHURST. Mr. President, if no Senator has a question to ask and if the managers on the part of the House and counsel for the respondent have no questions to ask or suggestions to make, I move that the Senate, sitting as a Court of Impeachment, adjourn until Friday, April 3, at 1 o'clock in the afternoon.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate, sitting as a Court of Impeachment, adjourned until Friday, April 3, 1936, at 1 o'clock p. m.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The Senate is now in legislative session.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 553) extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PARKS, Mr. BLANTON, Mr. MCMILLAN, Mr. SNYDER, Mr. DOCKWEILER, Mr. BOLTON, and Mr. POWERS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. DARROW were appointed managers on the part of the House at the conference.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 553) extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally was read twice by its title and referred to the Committee on Agriculture and Forestry.

ORDER OF BUSINESS—RECESS

The PRESIDING OFFICER. The Senator from Washington [Mr. SCHWELLENBACH] is entitled to the floor.

Mr. ROBINSON. Mr. President——

Mr. SCHWELLENBACH. I yield to the Senator from Arkansas.

Mr. ROBINSON. Does the Senator from Washington desire to yield to enable me to suggest the absence of a quorum?

Mr. SCHWELLENBACH. May I inquire of the Senator from Arkansas whether the special order set for this afternoon will be taken up at 2:30?

Mr. ROBINSON. It will be.

Mr. SCHWELLENBACH. Does the Senator know how long the special order will take?

Mr. ROBINSON. I am impressed with the idea that it may take 2 hours. I have no definite way of determining the length of time that will be required, but it probably will require the remainder of the afternoon.

Mr. SCHWELLENBACH. If a quorum should be called, probably it would be 25 minutes after 2 o'clock before it was completed; I would not care to continue in the meantime, and I shall be very glad to hear any suggestion the Senator from Arkansas may make as to whether I should continue now or wait until tomorrow.

Mr. ROBINSON. I do not think that it will be convenient for the Senator to proceed now, in view of the fact that only 15 minutes remain until the special order is to be reached. Therefore, if there is no objection, I move that the Senate take a recess for 15 minutes, or until 2:30 o'clock p. m.

The motion was agreed to; and (at 2 o'clock and 12 minutes) the Senate took a recess until 2:30 o'clock p. m.

At the expiration of the recess the Senate reassembled.

WAR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. COPELAND. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. HAYDEN, Mr. SHEPPARD, Mr. NORBECK, and Mr. TOWNSEND conferees on the part of the Senate.

EXECUTIVE SESSION—LAMAR HARDY

The VICE PRESIDENT. The hour of 2:30 o'clock having arrived, under the special order entered on March 27, the Senate is now in executive session for the purpose of considering the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwellenbach
Benson	Davis	Lonergan	Sheppard
Bilbo	Donahey	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Eighty Senators have answered to their names. A quorum is present.

Mr. NORRIS. Mr. President, as the Senate probably knows, Mr. Lamar Hardy, an attorney of New York City, was appointed during the last recess of the Congress to fill the vacancy in the office of district attorney in the southern judicial district of New York. When Congress convened his name was sent to the Senate as an appointee for the full term, so that he is now holding the office under the appointment made during the recess.

This nomination was referred to the Committee on the Judiciary, which committee in turn referred it to a subcommittee. The subcommittee held hearings, reported to the Committee on the Judiciary favorably, and the Judiciary Committee made a favorable report to the Senate, and Mr.

Hardy's nomination, under the unanimous-consent agreement, is now before the Senate for action.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. The Senator does not mean to infer, of course, that the report from the Committee on the Judiciary was unanimous?

Mr. NORRIS. Oh, no.

Mr. KING. I was not at the meeting when the nomination was considered, but if I had been present, with the knowledge I have of the record, I should have voted in the negative.

Mr. NORRIS. Mr. President, if every Member of the Senate would read the printed hearings, I would not trespass upon the time of the Senate to say a single word. I have no personal knowledge of or acquaintance with this nominee, and no knowledge, outside of what I have gathered from reading the evidence of this case. I have read all the evidence, and I base my objection to confirmation upon the conclusions I have reached from reading the evidence.

The Bar Association of New York took up this matter, appointed a committee to make an investigation, and that committee reported to the association. At the request of the friends of Mr. Hardy, action was deferred, I think, for a week, and then it was taken up at one of the largest meetings the Bar Association of New York ever held. The accounts in the newspapers stated that in the neighborhood of 800 members of the association were present.

The committee which had been appointed, and which had made its report, submitted a resolution as follows:

Resolved, That, in the opinion of this association, the connection of Lamar Hardy, Esq., with the affairs and management of the State Title & Mortgage Co. and its affiliated companies has disqualified him from holding the office of United States attorney for the southern district of New York.

The resolution was fully debated, and upon a final vote the resolution was adopted by the Bar Association with 321 votes for it and 247 votes against it.

Some of the most eminent attorneys in the city, and of the Nation, for that matter, participated in the debate. Against the resolution and in favor of the confirmation of Mr. Hardy were ex-Governor Miller, Mr. Coudert, and Mr. Colby, who was at one time, as we know, Secretary of State of the United States.

The adoption of the resolution was urged by men of similar ability—Charles C. Burlington, Thomas B. Thacher, and Samuel Seabury. There were others participating, but I mention those names because most of the Members of the Senate are familiar with them.

When the matter was heard by the subcommittee of the Committee on the Judiciary eminent attorneys appeared on each side. The witnesses on each side of the controversy, so far as I could gather from the evidence, were eminently fair, and I have no criticism to offer of what any of the witnesses said on either side of the controversy.

Mr. President, let me say that I do not offer the action of the bar association as conclusive. I realize that that association is entitled to consideration, entitled to more consideration, I believe, than the subcommittee gave it. Its action all through has been highly respectful, and there is no doubt in my mind that the friends of Mr. Hardy had as many members of the association present when the vote was taken as it was possible to get. The meeting was adjourned for a week at the request of his friends, so I take it there was present a full and fair representation of the Bar Association.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WAGNER. I happen to be a member of that association. It contains more than 3,000 members. Only about 500 members participated in the meeting. If it will not interrupt the Senator, I may add that there are three other bar associations in New York having greater membership. For instance, the New York County Lawyers' Association, which is not opposed to Mr. Hardy, has a membership of over 6,000.

Mr. NORRIS. The Senator will not claim, will he, that any of those associations have taken any action or adopted any resolution in favor of Mr. Hardy?

Mr. WAGNER. That is not customarily done.

Mr. NORRIS. It was not done in this case.

Mr. WAGNER. There was no disapproval.

Mr. NORRIS. No. No action was taken by any of the bar associations except the one to which I referred.

Mr. WAGNER. So far as I know—and I have served for a number of years on the judiciary committee of the Bar Association of New York—it is only when that committee or the association is requested to approve or disapprove that it takes action. If, however, there is a general disapproval of a nominee for judge, or of a nomination such as that which is now under consideration, the bar associations always deem it their duty to express their views on the disapproval.

Mr. NORRIS. The Senator has anticipated what I expected to say, because in the questions that were asked of the witnesses representing the bar associations the point the Senator has raised was brought out. I should have reached a discussion of it in due time. I expect to read some of the evidence; but, since the Senator has raised the question, I shall take up the discussion of that point now.

Objection is made to the action of the bar association in question because other bar associations exist, because there are 25,000 lawyers in the city of New York, and because the other bar associations have not acted. Mr. President, it is said also of the association which did act that a large number of its members were not present. Yet I think it is undenied that this association never held a meeting at which there was a greater attendance than at the meeting in question. The New York newspapers had been discussing the nomination. It was a matter of gossip on the streets of New York.

In view of what has been said in the Senate, I shall read some of the news items which appeared at the time of Mr. Hardy's nomination. There was great interest in the subject. The fact that some other bar association did not condemn Mr. Hardy ought to be answered sufficiently, I think, by saying that none of the bar associations—not one of them—ever passed any resolution in favor of Mr. Hardy or took any action, when, as a matter of fact, it was known all over the city of New York that there was wide objection to the confirmation of his nomination.

I shall probably go into that subject a little more fully when I take up the questions which were asked some of the witnesses.

I now read a news item to show that nothing was concealed. Everything was open. I think Mr. Hardy and his friends devoted all their ability and much of their time to an effort to have all Mr. Hardy's friends present at the meeting of the bar association. I think the evidence shows that there was but one other meeting of the bar association at which there was so large an attendance as there was at the meeting in question.

I now read from a news item appearing in the New York Times of January 10, 1936:

Bar asks Senate to reject Hardy.

Association here votes 321 to 247 against his confirmation as United States attorney.

Mortgage case is cited.

I should not read these news items, or some of the letters which I may read, if I had not first read all the evidence. In my judgment, some of the letters I have, some of which I may read, fairly state the facts which must be deduced from the evidence taken by the subcommittee of the Committee on the Judiciary.

After a hot debate in which leading members of the New York bar participated, the Association of the Bar of the City of New York adopted a resolution last night urging the United States Senate to refuse to confirm the appointment of Lamar Hardy as United States attorney. The vote was 321 to 247.

Mr. Hardy's right to serve in the office, which he now holds by an ad-interim appointment, was defended by former Governor Nathan Miller; Bainbridge Colby, former Secretary of State; and Frederick Coudert, former president of the bar association.

Against them in the debate, urging the adoption of the report of the committee on the judiciary, which criticized the appointment

of Mr. Hardy on the ground of his prior connection with the State Title & Mortgage Co., were Samuel Seabury; Thomas B. Thatcher, chairman of the charter revision commission; and Charles C. Burlingham, former president of the bar association.

More than 800 members of the association attended the meeting, which was said to be the largest since the association met to place itself on record in opposition to the nomination of Samuel Hofstadter and Aron Stener as supreme court justices at the close of the Hofstadter investigation into New York City affairs.

The committee's objection to his appointment was based upon the findings of Moreland Act Commissioner George Walger and Abraham Halprin, of the State insurance department, in connection with the affairs and management of the State Title & Mortgage Co., with which Mr. Hardy was associated from 1927 to 1931.

I may say that it was the 27th day of October 1931 when Mr. Hardy resigned from the position he held with the company. He was with the company from its beginning. He was one of the organizers of the company.

In that period, it was said, Mr. Hardy's fees from the company amounted to $165,000.

I will say to the Senate that, as I remember the evidence, it shows that $165,000 in fees was paid to Mr. Hardy during the first 2 years. He was with the company about four and a half years altogether. There is no evidence which I remember of any fees paid to him after that, or, if they were, what they were; but that he obtained $165,000 in 2 years from the company is undisputed.

Members of the committee took the position that while there was no suspicion of wrongdoing on Mr. Hardy's part, it might be embarrassing to him and to the Government if he were called as a witness at the trial of the indictment in Federal court charging the company with using the mails to defraud.

Not being a member of the association, Mr. Hardy was not able to attend the closed meeting of the association to defend the propriety of his remaining in office. Influential members of the association, however, were understood to be ready to fight against the adoption of the committee's condemnatory report.

I should like to have the Senate remember that I am reading a news item, and where I think there is anything in the item contrary to what the evidence shows I shall point it out, as I have already done in one or two instances.

The report was presented to the membership and its adoption urged by Alfred A. Cook, chairman of the committee on the judiciary, who was also counsel to Commissioner Alger in the Moreland Act inquiry into the activities of the guaranteed mortgage companies. The report contained the following resolution, about which the debate centered.

I have already read the resolution. I desire to digress at this point to comment upon the chairman of the judiciary committee of the bar association. He had charge of the investigation of Mr. Hardy. He had been appointed by the Governor to take part in an investigation of the various mortgage guaranty companies, of which this company was one. The investigation, I think, was brought about at the instigation of the Governor of New York. Mr. Cook served in that investigation. The investigation of this company, so the testimony shows, lasted for 10 months. Mr. Cook participated in it with great reluctance. The Governor personally asked him to act, and he made this condition to the Governor, that if he went on his services should not be paid for by the State; he accepted the position under those conditions, and after a 10 months' investigation reached the conclusion that this mortgage company in particular was one of the worst of all of them, and he so testified before the committee.

The bar association committee's report was distributed confidentially to members more than a week ago. Last night's meeting, originally scheduled for January 2, was postponed 1 week at the request of friends of Mr. Hardy to give him an opportunity to prepare his side of the case. It said: "The official report of the Moreland Act Commission and the report made to the superintendent of insurance by Mr. Halprin, as well as the civil and criminal proceedings instituted by public officers against the State Title Mortgage Co."—

That is the particular mortgage company to which I have referred—

"and certain of its officers and directors, indicated that the affairs of the State Title & Mortgage Co. were managed in violation of law and, in many respects, in disregard of the normal standards of business morality and of the financial interests of thousands of small, helpless, and uninformed investors whose investments in the State Title Mortgage Co. aggregated millions of dollars."

Continuing, the report said:

"In the opinion of this committee, the appointment of Lamar Hardy, Esq., is contrary to the public interest and would seriously impair public confidence in the administration of justice through the high office of the United States attorney for the southern district of New York."

Calling attention to the Federal indictment against officers and directors of the mortgage company, the report said:

"On the trial of the indictment now pending in the Federal court, charging the use of moneys in a scheme to defraud, the history of the State Title from its inception in all probability will become material.

"One of the principal issues may be whether the defendants acted in good faith and believed in the truth of the representations alleged to have been made. On that issue, and also because two of the overt acts alleged in the conspiracy count of the indictment relate to matters which had their inception before Mr. Hardy's resignation, it is not unlikely that he will be called as a witness by the defendants.

"In that event he would be in the embarrassing and inconsistent position of having to testify against the Government, whose chief law officer in this district he now is.

Another newspaper article—and I could cite nearly as many articles as there are newspapers published in New York City if I wanted to do so——

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH. What office did Mr. Hardy hold in the State Title & Mortgage Co.?

Mr. NORRIS. He was a member of the board of directors and he was chairman of the executive committee for a long time. He was a member of the board of directors longer, however, than he was chairman of the executive committee. He was also counsel for the company.

Mr. WALSH. Did he devote his whole time to the active management of the company?

Mr. NORRIS. I cannot say as to that, but I presume he did not. The records show that he was present at nearly all the meetings of the board of directors.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LA FOLLETTE. Would not the fact that he received $165,000 in fees in 2 years' time indicate that he must have rendered some alleged service in order to justify such a payment?

Mr. NORRIS. It would seem that he ought to have performed some service, anyway.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I think the record will show that he not only was a director, one of the five, but that he organized that company.

Mr. NORRIS. He did. There was a holding company. There were a whole lot of companies, all intermingled. This particular company held other companies, and it itself was held by another company. Mr. Lamar Hardy himself organized this particular mortgage company and became one of its directors and chairman of the executive committee at its inception.

The president of that company has been tried and found guilty. I do not know whether or not his case is pending in the upper courts now, but he has already been tried and found guilty. There are indictments now pending against several of the other members of the board of directors. There is a civil suit pending against all of them, and that civil suit includes Mr. Lamar Hardy. He is a defendant in that suit, which has not been tried as yet, but the evidence before the subcommittee of the Judiciary Committee shows that in order to relieve himself of any liability in that civil suit he offered to settle by payment of $16,500.

I cannot give the details as to how this company was tied up. The funds were invested under the law of New York. In its securities were invested the savings of orphan children and of guardians. I am not familiar with the law that governed the case, but someone—I think the insurance commissioner—has sued for $5,000,000 to recover some of the losses which it is alleged were sustained by reason of the fraudulent and disreputable methods which this title and

mortgage company pursued in getting rid of its investments to investors.

It is the custom, I understand, under the laws of New York to divide up mortgages. In this instance they were held, rather, in escrow, and certificates were issued of a smaller denomination, similar to debentures. They were sold to the public. They were issued in amounts as low as $10, and millions of them were sold. The suit brought by some officials of the State of New York deeming these investments to be illegal and wrong is to recover damages for the loss of these funds.

Mr. WALSH. Mr. President, did the Senator state that these securities were recognized as valid investments by the insurance commissioner of the State of New York?

Mr. NORRIS. I would not say that the officers of the State of New York who had to deal with these funds could not themselves be charged with fraud. I am not sufficiently familiar with the law of New York to know as to that; but it would seem to me that they could be. For instance, I suppose, under the law, there are various regulations as to the character of mortgage that may be taken, and if it was in default, it would not come within the rule. Yet millions of dollars of mortgages were in default; some of them were under foreclosure proceedings and were assigned to various organizations that have a right to invest different funds, insurance funds, orphans' funds, and so forth.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Several million dollars were acquired by the city chamberlain representing widows and orphans?

Mr. NORRIS. Yes, sir.

Mr. KING. And the money was lost?

Mr. NORRIS. I presume the law provides that certain kinds of securities could be invested in by those having funds in their charge. Deception was practiced upon them, and there might have been collusion; but, at least, a lot of these so-called investments that did not measure up to the requirements of the law got into the hands of these various officials.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. MURPHY. The Senator said that some of the officers of the company were indicted and convicted?

Mr. NORRIS. Yes.

Mr. MURPHY. Was there any presentment of facts against Mr. Hardy made to the grand jury or any allegation of fraud committed by him?

Mr. NORRIS. None that I know of. For some reason, he was never indicted, and I do not know that there was any attempt made to indict him.

I started to read, when I was interrupted, a news item, or rather an editorial, from the New York Herald Tribune of January 4, 1936, which is headed "An untimely selection" and which reads:

The published excerpts of the report of the judiciary committee of the Bar Association of the City of New York relating to the proposed appointment of Mr. Lamar Hardy as United States attorney for the southern district do not reflect on the character of Mr. Hardy. They do make it plain that his selection at the present time is open to grave criticism.

The principal reason is his long and intimate association with the State Title & Mortgage Co., whose officers are under indictment on serious charges. Mr. Hardy himself has not been indicted. But he was intimately connected with these officers at a time when many of the acts for which they have been indicted took place. No charge has been made that he was himself involved in these unsavory transactions. But it is certainly clear that this connection would prejudice his usefulness in the event that his former associates came up for trial while he was in office.

The fault appears to be that of the President's associates for not apprising him of all the facts in the case. This is not the first time that Mr. Roosevelt has been imposed on by his political friends. Under the circumstances the wise and proper course for Mr. Hardy is to ask the President not to send his name to the Senate for confirmation. By thus withdrawing he will avoid a possible double embarrassment—to himself and to the President who appointed him.

Mr. President, before I read some of the evidence I am going to invite the attention of the Senate to an extension of remarks appearing in the CONGRESSIONAL RECORD of March 13, the present month, made by Hon. MARTIN J. KENNEDY, of New York, in the House of Representatives on that day. Mr. KENNEDY is himself a resident of this judicial district. He said:

Mr. Speaker, ladies, and gentlemen, I attend the hearings of the Senate Judiciary Committee, held in the Capitol on March 9 and 10, in connection with the nomination of Lamar Hardy for the office of United States attorney for the southern district of New York. I am always interested in having appointed to public office men of outstanding ability; but I have a particular interest in the office of the United States attorney for the southern district, because I live in that district. In addition to my personal interest in this appointment, I have an official interest because of my membership on the special committee appointed by the Speaker to investigate real-estate bondholders' reorganizations.

Our congressional committee, in order to accomplish the purpose for which it was created, must have the cooperation and wholehearted support of the United States attorney. In investigating these real-estate reorganizations, I necessarily have become familiar with the sale of real-estate bonds and participating certificates. Unfortunately, in many cases the committee is helpless to aid the poor bondholders, because the underlying security behind the bonds and certificates is absolutely worthless.

Mr. Hardy, the President's nominee for the office of United States attorney, has been closely identified with a mortgage company that sold a great many mortgages and certificates which must be classified as worthless. As an officer and director of this company, the State Title & Mortgage Co., he has naturally been friendly with the other companies engaged in this type of business throughout the greater city of New York.

The president of the company, with which Mr. Hardy was associated, the State Title & Mortgage Co., was indicted and convicted of fraudulent practices. At the present time there are awaiting trial a number of other officers of the same company. As a former colleague, and now as district attorney, Mr. Hardy must necessarily find himself in an embarrassing position.

* * * * * * *

The district attorney of New York will have a lot of work ahead of him in connection with these mortgage companies, and as many of these are personal friends of Mr. Hardy, he certainly cannot be expected to be an aggressive prosecutor. Mr. Hardy has been in office for nearly 3 months and has never tried a single case. We require an active man; one who will set the pace for his assistants.

More than a quarter of a million families—

Let me read that again. I am reading this because I read the evidence, and in my judgment these statements are fully borne out by the evidence. I am not reading all of this speech, but I believe that everything I do read states the facts as shown by the evidence taken before the subcommittee of the Committee on the Judiciary when they had the nomination before them. I read:

More than a quarter of a million families have lost their life savings in these defaulted mortgages. Due to Mr. Hardy's intimate association with the companies that sold these worthless mortgages, I do not believe that he will have the moral support of the people of New York.

The Bar Association of New York is opposed to the confirmation of Mr. Hardy, as well as practically every newspaper published in the city of New York.

The New York Evening Post of March 12 expresses the situation perfectly as follows:

"It doesn't take a sensitive nose to detect the atmosphere of a biased court. The Senate Judiciary Subcommittee 'judging' the fitness of Lamar Hardy to be United States attorney for the southern New York district gave itself away early in its hearing. Every courtesy was extended to Hardy and to Max D. Steuer, his counsel. But, say the dispatches, 'Alfred A. Cook was interrupted in his answers to questions when he tried to elucidate the objections to Mr. Hardy's confirmation as recorded by the Association of the Bar of New York City. Mr. Cook was forced virtually to defend the standing of the Bar Association.' * * * Was the subcommittee judging Hardy or judging the Bar Association? Is its mind made up in advance to confirm a nominee opposed by the bar, the press, and the public of his own city? Why did the two Senators most concerned, WAGNER and COPELAND, of New York, stay away from the hearing? Were they afraid to offend New York City by helping Hardy, and afraid to offend party leaders by opposing him?

"Does the Senate realize it is placing in charge of Federal securities law prosecution in the financial heart of the country the man who sat tight as chairman of the executive committee of the defunct State Title & Mortgage Co. while it evolved financial maneuvers that brought losses to thousands? That Hardy is one of the defendants in a $5,000,000 suit brought by the State banking department to recover some of these losses?

"Does the Senate realize that 10 of Hardy's former associates are under indictment? Does it understand that Hardy will probably be called as witness for the defense in Federal trials of these associates—that the Federal attorney will then be testifying against the Federal Government?

"Hardy's defense, that he did not know what was going on, is no answer to the Bar Association. We do not want as public prosecutor (even though his character may be white as snow) a man who did

not know what was going on under his nose. A United States attorney is supposed to know what happens around him."

I ought to digress now to say—and I do it with some embarrassment and reluctance—that, in my opinion, the reference made by the news item I have just read to the unfair way in which those who are opposed to Mr. Hardy's confirmation were treated by the subcommittee was fully justified. That is one reason why I desired to have every Member of the Senate read that testimony. Mr. Cook, whom I described a while ago as a man who had devoted 10 months of his time, without pay, at the request of the Governor of New York, to getting the facts in these mortgage-fraud cases, was before the subcommittee; and I shall read some of the testimony he gave, or tried to give. In my opinion, there was no reason why this man or the other witnesses who appeared against the confirmation of this nomination were not entitled to all the respect that every fair court and every fair committee always wish to give to their witnesses. I do not believe they received that kind of treatment. On the other hand, the greatest courtesy was shown to Mr. Hardy and his friends when they testified.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Does the Senator intend to call attention to the examination by the subcommittee of Mr. Shearn, who was sent down by the New York Bar Association to present the matter?

Mr. NORRIS. I intend to read portions of the testimony of Mr. Shearn, and also portions of the testimony of Mr. Cook. I may not have the same points in mind, and it may be that I shall find I am trespassing too long on the time of the Senate; and if the Senator from Utah thinks parts of the testimony which I do not read should be read, I shall be very glad to have him read them.

I have here a letter from Hon. Charles Burlingham, known all over the country, I think, as one of the outstanding lawyers of the country. I should not read what he says if I were not, in my judgment, able to say that I think he states the facts according to the development of the evidence.

In part of this letter Mr. Burlingham says:

> The fact that for 4½ years he—

That refers to Mr. Hardy—

> had been actively connected with a disreputable title company, not merely as counsel but one of its organizers, a director and chairman of its executive committee, also a director and counsel for some of the subsidiary affiliated companies, taken with the fact that the company and several of its directors are under indictment in the United States District Court for the Southern District of New York, and its president convicted of a criminal offense, and Mr. Hardy himself sued for negligence and waste by the State superintendent of insurance—all these considerations disqualify him from holding the office of United States attorney, for no man with such connections can command the confidence of a community in which hundreds of thousands of small investors have lost millions of dollars through the mismanagement of his company.

Mr. President, that is not exaggerated. Hundreds of thousands of small investors lost millions of dollars. I may not, for lack of time, read all the evidence; but one of the witnesses was questioned by the subcommittee on that point. The member of the subcommittee said, in substance:

"Do not these people, when they invest money, usually have an attorney to advise them? Would you condemn this man if he had advised somebody wrongfully? If these investors made mistakes, they were their mistakes."

The answer was, however:

"The people who made these investments had no attorney. They were saving their pennies. They were answering the advertisements which appeared in the newspapers, and which said, 'You cannot lose your money if you buy these securities. This is a safe investment. It is gilt-edged. You run no risk if you put your savings into the securities of this company.' "

Thousands of persons invested their savings—persons who could not afford to lose even $5. The loss of a small amount of money means poverty to thousands of persons who put into this company the money they had accumulated by saving their pennies, after they had been induced to do it by advertisements in the newspapers, circulated all over, saying that this was the greatest investment on earth and that there was no possibility of loss; and yet they lost every dollar they invested.

Mr. LA FOLLETTE. Mr. President——

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Is it not a fact that this company advertised that these certificates were safe, and that they were backed up by a $10,000,000 guaranty fund?

Mr. NORRIS. Yes; that was one of the advertisements.

Mr. LA FOLLETTE. And was it not alleged in the advertisement that these funds were under the regulation and supervision of the insurance department of the State of New York?

Mr. NORRIS. Absolutely; that is correct.

Mr. MURPHY. Mr. President——

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. MURPHY. At the time referred to, was Mr. Hardy chairman of the executive committee of the mortgage company?

Mr. NORRIS. Yes. I would not say that he was chairman at the time of all the defaults, but, as this letter says and the evidence shows, I have somewhere among the papers the amount of investment made in these certificates and the amount of money handled while Mr. Hardy was in the company and afterward. By far the major portion of the money was handled while he was a member of the board of directors and chairman of the executive committee.

Mr. MURPHY. My mind is not yet clear as to the investments. Presumably the facts as to them will be developed later. I wished to associate Mr. Hardy with the advertisements if it is a fact that he was chairman of the committee at the time the advertisements were published.

Mr. NORRIS. He was chairman of the committee at the time; yes. I cannot say that Mr. Hardy wrote these advertisements or that he ever read them; but I do say that they were put out and circulated among the people while he was connected with the company.

Mr. LA FOLLETTE. Mr. President, if the Senator will yield further, does not the testimony show that at the very time while Mr. Hardy was still connected with the company, and at the very time these advertisements were being published, the official investigation made by the State of New York indicated that the guarantee fund was impaired?

Mr. NORRIS. Yes, sir; it does show that.

I read further from the letter to which I have referred:

> All the title companies were mismanaged, but this was the worst of all.

As I remember the testimony, Mr. Cook, who was the attorney, and spent 10 months on the investigation, stated in effect that while he investigated a great many of the title companies, and they were rotten, they were dishonest, this was the worst of the lot.

> Further, it should be borne in mind that Martin Conboy, who preceded Mr. Hardy as United States attorney, was superseded as prosecutor of title companies at his own request merely because he had acted as counsel for one of the companies.

There is an example to set. This man Mr. Conboy, who had been United States attorney for that district, resigned because he had been attorney for one of these companies. That is vastly different from being attorney for the company, member of the board of directors, chairman of the executive committee, and drawing $165,000 for your services. If the same course had been followed by Mr. Hardy, he would not have accepted this appointment under any circumstances.

This writer further says:

> The advocates of confirmation avoided the issue and devoted their efforts to show that Mr. Hardy had borne a good reputation at the bar.
>
> I quite appreciate that a candidate who has the approval of the Senators of his own State rarely fails of confirmation. I suspect—

I shall not read that part of the letter, because the Senator from New York is here, and he may speak for himself if he wishes to do so.

> The nomination is an affront to New York City. At this moment the administration of criminal justice here is in a lament-

able state. Governor Lehman has superseded Mr. Dodge as district attorney for New York County, appointing Thomas E. Dewey to dig into the rackets. He has superseded Mr. Geoghan in Kings County by Hiram Todd to prosecute the Druckman murderers. The appointment of Mr. Hardy as Federal prosecutor would seriously impair public confidence in the administration of justice.

Mr. LA FOLLETTE. Mr. President, will the Senator suffer another interruption?

Mr. NORRIS. I yield to the Senator.

Mr. LA FOLLETTE. In connection with the matter of the guarantee fund and the advertisements, I should like to direct the attention of the Senator from Iowa [Mr. MURPHY] to the testimony of Mr. Spence, found on page 97 of the hearings. He says:

There is one feature about the guarantee fund to which I would like to call the attention of the committee in some detail, which will not take but a moment. I will call your attention to pages 80 and 81 of Mr. Halprint's report.

That is the official report of the investigation conducted by the Governor's investigators.

He shows there that the company purported to have in the guarantee fund $5,573,000 of assets. He finds the only assets listed by the company that fulfilled the requirements of section 16 were the assets entitled "Building Loans and Permanent Mortgages on Hand", in the amount of $1,034,000, in round numbers. He says, therefore, that there was a deficiency in the guarantee fund, as of January 2, 1930, of substantially $4,500,000. He finds there was a deficiency in the guarantee fund at the end of December 1930 of $3,095,077.

Mr. MURPHY. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. MURPHY. Am I to understand, from what the Senator from Wisconsin has read, that in 1930 Mr. Hardy was the chairman of the executive committee?

Mr. LA FOLLETTE. I know he was an officer of the company, and it was in June 1930 that the advertisement was printed in the newspapers advising small investors that this was a safe and simple type of investment, because they were fully protected by this guaranty fund, when at that particular time, or at least between January 2, 1930, and December 1930, this advertisement appearing in June, the fund was between three million and four and a half million dollars impaired, so that the advertisement was false on its face.

Mr. MURPHY. It appears from a reading of page 138 of the hearings that Mr. Hardy recites that the last meeting of the executive committee he attended was in September 1931, so the presumption is that he was present at the meetings in 1930 when there was the deficiency in the fund referred to as a guaranty fund.

Mr. LA FOLLETTE. That is correct, and, as I recall, some of those who were protesting against Mr. Hardy's confirmation offered to furnish the subcommittee a list of the times when he was present, and the subcommittee did not care to have it printed in the record, but it was filed with the committee.

Mr. VAN NUYS. O Mr. President, the Senator from Wisconsin should look at the report of the hearings, and he will find it incorporated in the report.

Mr. HATCH. On page 122.

Mr. VAN NUYS. Together with every other exhibit, every other memorandum, and evidence of the fact that every witness Mr. Cook asked for in the subcommittee hearing was called.

Mr. LA FOLLETTE. The Senator is no doubt correct about that. I was misled by the statement that the paper was received and filed with the committee.

Mr. VAN NUYS. It appears in the transcript.

Mr. POPE. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. POPE. Does the Senator know when Mr. Hardy severed his connection with the company?

Mr. NORRIS. On the 27th day of October 1931. He resigned as chairman of the executive committee a month or two before that, I believe.

Mr. President, it is doubtful in my own mind whether I ought to take up the time of the Senate to read the evidence showing what happened when the committee from the New York Bar Association appeared before the subcommittee of the Committee on the Judiciary of the Senate. The subcommittee reported to the full committee, and the full committee reported the nomination before the evidence was printed. I was not present at the meeting when the nomination was voted on by the Judiciary Committee, but there was a synopsis of the evidence furnished by the subcommittee. The evidence had not been printed when the Judiciary Committee acted on the nomination, however.

I am going to read a little of the examination, commencing on page 85.

Mr. Clarence J. Shearn was one of the witnesses. He was chairman of the committee which the bar association sent to Washington to appear before the subcommittee. I think he has shown by his testimony and his demeanor on the stand that he is a remarkably fine gentleman. As I read his testimony, he made a splendid showing. He held back what I think he would have been justified in saying, perhaps, from the way the examination was conducted, and the way he was prevented from giving information which would not have been very friendly or favorable; but he was a perfect gentleman through it all. The same may be said of Mr. Cook, who followed him, and who, as I have said, was intimately connected with this investigation, and knew of his own personal knowledge of the happenings about which he was testifying.

Mr. Shearn started to testify, but he did not get very far before he was interrupted. When he would start on a subject he would be interrupted. The nature of the questions indicated that the members thought he was rather out of place in being there, that he was unnecessarily taking up the time of the committee, that they did not want to hear his testimony, that the facts about which he was testifying were set out in the exhibits.

The first part of the hearings, comprising about 80 pages, I believe, is composed of letters and telegrams of recommendation and congratulation sent to Mr. Hardy, to the Attorney General, to the President, and to the chairman of the Judiciary Committee, congratulating him on receiving this nomination. I have never known such thing to happen before, but nearly half the hearings is taken up with the printing of these letters, such letters as usually never appear at a hearing; but they did appear at this point. They are interesting reading, they are all short, they are all about the same. They are to the effect, "I know this man; he is a fine lawyer, he is a fine citizen, he is a patriot." I have no doubt they all tell the truth. I have no doubt that Mr. Hardy is a very able attorney. At least, no one has questioned his ability.

I do not desire to find fault with those who favor the confirmation of Mr. Hardy, because very noted gentlemen in New York do favor it, have favored it, and have advocated confirmation of the nomination. But I must take all the evidence together in forming my judgment, and my conclusion is that it would be a terrible mistake to install this man in the office of district attorney for the southern district of New York.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. I understand that he was installed by recess appointment last autumn.

Mr. NORRIS. Yes; he was.

Mr. BARKLEY. And has been serving some 6 months.

Mr. NORRIS. Yes.

Mr. BARKLEY. Does the Senator know anything about the manner in which he has performed his duties during the 6 months?

Mr. NORRIS. No; the only thing I know about that is from one of the letters, or news items, which I have read, which stated he had not yet tried a lawsuit. I did not pay any attention to that, however. He might be in that office a year and not try a lawsuit, and yet be a perfectly efficient officer. I concede that.

Mr. BARKLEY. If the Senator will yield again, my question was prompted by the statement the Senator made a moment ago that in view of certain conditions in New York, which he outlined, the appointment of Mr. Hardy would not be encouraging to those who believed in law enforcement.

Mr. NORRIS. It certainly would not be.

Mr. BARKLEY. I wondered whether his 6 months' tenure in the office had given any color to that fear.

Mr. NORRIS. I do not think so. If there is any such feeling in the city of New York, I do not know of it. Of course, there might be.

Now I read from the examination of Mr. Shearn:

Senator DIETERICH. Do you think it would be more proper for the bar association to present its evidence in such manner as might reflect upon the character or integrity or ethics of Mr. Hardy, after these numerous tributes have been paid to him, instead of having us try cases that are absolutely foreign to anything we have a right to consider? Do you expect the committee to try the cases that grew out of all these mortgage companies in New York?

Mr. SHEARN. I do not. If I may answer one of your questions first, we are not asking you to try any of these cases or to try Mr. Hardy on any theory that he is guilty of a violation of law. We make the point and urge upon you that, while he terminated his connection with that company, the fact that he was one of its organizers, the fact that he was a director and a member of its executive committee for 4½ years and chairman of the executive committee, the fact that within 2 years he received $165,000 as legal fees from one of its associated companies, the fact that he had that intimate connection with this company, the fact that thousands of investors suffered great losses through the activities of that company, tends to undermine public confidence in Mr. Hardy.

Senator DIETERICH. Is it not true that a great many concerns of that kind, in passing through that critical period, caused considerable losses to investors? If the intimate connection of an attorney with a client, when that client may have been guilty of some wrongdoing that resulted in losses to investors, would reflect upon the attorney to the extent to disqualify him from holding public office, very few attorneys would be qualified for public office. Is that not true?

Mr. SHEARN. I think there is a very clear distinction between an attorney advising or counseling with a client, and a man sitting as a member and chairman of that client's executive committee.

Senator DIETERICH. You get what I have in mind, do you not? I want to find out whether or not Mr. Hardy's conduct has been such that it would be unsafe to put him in charge of prosecutions or to take charge of the business of the Government as district attorney.

Mr. SHEARN. We feel that he should not be confirmed for that office.

Senator DIETERICH. I understand you do, but is it based entirely on that?

Mr. SHEARN. On what?

Senator DIETERICH. On his association with this mortgage company.

Mr. SHEARN. There is no question about that. That is a concern which has been marked in the report as showing great violations of law, which has been marked by terrible losses on the part of investors.

Senator DIETERICH. Is that not true of most mortgage companies?

Mr. SHEARN. It has been marked by the trial and conviction of its president; by the indictment of the company itself; by the indictment of a number of its directors for misleading advertisements put out while he was chairman of the executive committee.

That answers the question of the Senator from Iowa.

Senator DIETERICH. But there has been no indictment of Mr. Hardy?

Mr. SHEARN. If we have to distinguish or determine, in dealing with the requisites for the office of district attorney, whether the appointee has ever been indicted or convicted of a crime, it would seem rather difficult.

I submit, Mr. President, that as we read all the examinations of the witnesses, it seems that the able attorneys who were examining were going on the theory that unless Mr. Hardy had been indicted, unless he had been convicted of a crime, in view of the fact that he was a good lawyer and could try a lawsuit, he would be all right for district attorney. If that is the theory, if that is what the Senate believes in, it ought to confirm this man. But they went on the theory, and I believe every citizen in the United States knowing anything about the matter will go on the theory, that one of the causes of the terrible depression which overtook this country was the conduct of thousands of dishonorable, dishonest, illegal organizations, just like this mortgage company, which were taking tribute from God's poor, robbing the investors of what they had saved up perhaps in a lifetime, robbing the orphans and the widows. Even though those who robbed these poor people did so under the guise of law, even though they have never been indicted or tried or convicted, if that is the kind of a district attorney we must have, and if we must put such a man in office just because he is a good lawyer and because when Uncle Sam gets into a lawsuit he can try it properly, then I have not any conception of what a district attorney or other officer of the United States ought to be. I submit that he ought to be an example of honesty, of honor, so that those who do not hold office, the rank and file of our citizens, may know that those who wear the emblem of official authority are honest men, honorable men, who have not wrongfully taken anything from anybody.

The Senator from Illinois [Mr. DIETERICH], a member of the subcommittee, asked Mr. Shearn further:

Do you defend people before the United States district court?

Mr. SHEARN. I have never been engaged in criminal practice.

Senator DIETERICH. Do you ever have any civil practice before the United States district court in which the services of the United States district attorney would be engaged on the other side?

Mr. SHEARN. Not that I am aware of. If I had, I might have sent him a message of congratulation.

I think there is a little irony in that answer which the Senate ought to get. That may explain some of the telegrams and letters of congratulation which are printed in the hearings.

Senator DIETERICH. That might be.

Mr. SHEARN. No; I am in the Federal courts very little.

Senator DIETERICH. How long have you known Mr. Hardy?

Mr. SHEARN. Since about 1913, I think.

Senator DIETERICH. Have you ever heard his integrity questioned?

Mr. SHEARN. Never.

Senator VAN NUYS. Has he ever been guilty of any moral turpitude that you know of?

Mr. SHEARN. Unless you draw that inference from the activities of this company with which he was connected.

Senator VAN NUYS. I am familiar with that. I have read these records. You would not say he was guilty of moral turpitude, would you?

Mr. SHEARN. I would say that these activities of this company with which he was connected during that long period, in view of his important and intimate relationship to them, would certainly be far from creditable to Mr. Hardy.

Senator DIETERICH. Let me ask you a question as between lawyers. You say it has been a long practice that candidates for judicial offices and quasi-judicial offices have been submitted to the bar association and their moral and ethical qualifications vouched for by the association.

Mr. SHEARN. Sometimes.

Senator DIETERICH. That is true, is it not?

Mr. SHEARN. Sometimes.

Senator DIETERICH. Is the reason you are pressing this protest of the bar association because they seem to be drifting away from the practice?

Mr. SHEARN. Senator, you seem to be conducting an inquisition of me.

Senator DIETERICH. You are a witness, and we have the right to know that.

Mr. SHEARN. Senator, it is not. That is not correct. Of course, it would not be becoming in me to offer any criticism of that.

Senator DIETERICH. Do you believe that anybody should delegate its authority, as we have in Congress, which is very limited, to any other body?

Mr. SHEARN. I do not ask you to delegate anything, but I do think you should pay some attention to what an association of over 3,000 members in the city of New York has to say about a man up for confirmation.

Then a Mr. Spence testified before the subcommittee. His examination was much the same as that of the previous witness.

Then came Alfred A. Cook. Senators must remember that Alfred A. Cook is the man whose personal knowledge about this mortgage company is greater than that of any other person whose testimony appears in the record. He is the attorney who worked on this investigation for 10 months. As I said in the beginning, he worked without pay, at the request of the Governor of the State of New York. He tried to testify. He had some difficulty in doing so because of the examination which went on, and from time to time he was diverted from what he was trying to say. I desire to read some of his testimony:

Mr. COOK. Irrespective of all that, I do not see how it is possible—I may be in error and I say this with deference—in the public

interest for the Senate to confirm, in a situation such as this, anybody who was actively connected with the affairs of this company, whether he personally did this or that. It is impossible for me to conceive that such is a proper appointment. With this record before you, with the evidence of the fact that Mr. Hardy took an active part in the affairs of this company, because he was present at something like 70 meetings out of 83 of the board of directors and executive committee, I think you must conclude that he either knew what was going on, or, if he did not know what was going on, then, as a director, he should have known.

I submit, Senators, that it ought not to be possible for a man who was paid $165,000 for 2 years' work to cover himself up with the cloak that while he held this office, while he was in this important position, while he organized the company, while he was taking the money which came from widows and orphans and small investors, nevertheless he did not know what was going on in the company. As a matter of law he was chargeable, and he ought morally to be chargeable, with notice of what the board did.

Senator DIETERICH. All these suits and prosecutions that were brought against the company occurred after he had ceased to be a director and had severed his connection with the company.

Mr. COOK. I know; but one of the suits was brought against Mr. Hardy and other directors by reason of waste and negligence.

Senator DIETERICH. For what years?

Mr. COOK. During the time he was there. That was when the waste and the negligence occurred.

Senator DIETERICH. That is a civil action?

Mr. COOK. Yes, sir.

Senator DIETERICH. That is still undetermined?

Mr. COOK. That is still undetermined, but that is the action where the defendant came to court and offered a settlement. Mr. Hardy offered, as I recall it, $16,500 in payment of his liability. I believe Mr. Hardy says he did that in order to get rid of the suit, and it was cheaper to do it that way than otherwise.

A suit against me would have to be a pretty important one before I should think it was cheaper to pay $16,500 than to try the lawsuit.

If I misquote him, I want to be corrected.

Mr. Hardy was right there on the other side of the table. He heard this statement.

If I misquote him, I want to be corrected. There was a suit brought for negligence and waste during the period that he was a director. There are other civil suits against Mr. Hardy, many of more serious nature than that.

Senator DIETERICH. We have plenty of reputable citizens who have civil suits brought against them.

Mr. COOK. Yes.

Senator DIETERICH. You would not disqualify anyone by reason of that?

Mr. COOK. No.

Senator DIETERICH. Those civil suits are all based upon breach of contract of some kind, are they not?

Just note that answer:

Mr. COOK. But these suits for waste and negligence, every one of them alleges fraud.

Senator DIETERICH. They might allege fraud, but it has not yet been proven.

Mr. COOK. No.

Mr. President, the testimony I have just read about Mr. Hardy offering $16,500 to satisfy his liability is not denied. At least he went on the stand after that statement, after he had sat there and heard the testimony of Mr. Cook, and did not deny it; so I take it that he must have felt there was some reason to believe that the suit would go against him when it was finally determined, and he was willing to pay $16,500 to settle it.

Mr. President, although there are several other matters of interest which might well be presented, it would seem that I am wearying Senators by taking up so much time, so for the present, and until and if something is said which I think needs refutation, I shall yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property and for other purposes, and it was signed by the Vice President.

LAMAR HARDY

The Senate, in executive session, resumed the consideration of the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

Mr. VAN NUYS obtained the floor.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BONE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwellenbach
Benson	Davis	Lonergan	Sheppard
Bilbo	Donahey	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Utah
Brown	George	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. VAN NUYS. Mr. President, as chairman of the subcommittee which considered the nomination of Mr. Hardy, I think it incumbent upon me to state very briefly the facts as I know them to be, after having listened to every word of the testimony and having read all the exhibits submitted at the hearing. While I have great respect for the conscientious work of the distinguished Senator from Nebraska [Mr. NORRIS], yet I feel that he has drawn some unwarranted conclusions from certain excerpts from the evidence.

As to the unfairness of the committee, I may say that at the close of the second day's hearing, which was the end of the hearings, Mr. Cook came to me personally and thanked me for the courteous and fair manner in which the hearings had been conducted. I know of no one more interested in the outcome of the consideration of the nomination than Mr. Cook. I vouch for the truthfulness of that statement.

Mr. Hardy received an ad-interim appointment in November 1935. He is serving as United States attorney under that appointment at this time. The two Senators from New York and the senior Senator from Mississippi [Mr. HARRISON], Mr. Hardy's native State, can tell more about his honorable lineage than can I; but I say without reservation, after having served as chairman of many subcommittees of the Judiciary Committee to pass upon the question of the confirmation of nominations for United States attorneys, Federal judges, United States marshals, and so forth, that never has a nominee come to the city of Washington and appeared before the Judiciary Committee with such a volume of unqualified endorsements as did Lamar Hardy in this particular instance.

John W. Davis, ex-Governor Miller, Col. "Bill" Donovan, judges of the Supreme Court of New York, judges of the court of appeals, judges of the United States district court, men of the highest type and character in scores of instances unqualifiedly approved this nomination. Nor does Mr. Cook or any member of the small percentage—and it is a very, very small percentage—of the Bar Association of New York opposed to confirmation attack the character or the legal attainments of this nominee.

When Mr. Cook was on the witness stand I asked him what his objection to this man was. He said it was confined

solely to his connection with the State Mortgage & Title Co.; that outside of Mr. Hardy's activities with that company he considered Mr. Hardy eminently fit to serve as United States attorney for the southern district of New York.

I wish I had time, but I must be brief, to read to the Senate the long list of distinguished judges, citizens, lawyers, and representative men and women of the State of New York and also of the State of Mississippi who support the confirmation of this nomination.

The distinguished Senator from Nebraska [Mr. NORRIS] makes much of the statement that Mr. Hardy received a total sum of $165,000 as attorney for the company to which reference has been made. The truth of the matter is that Mr. Hardy did not receive $165,000 as attorney for the company. The undisputed evidence shows that he received $165,000 for his work for three or four companies. He received from the State Title & Mortgage Co. $30,000 for four and a half years' work, an average of $7,500 a year, which no lawyer in the Senate would question as unreasonable compensation from a mortgage and title company having investments running into many, many million dollars.

That is just another evidence of the unfairness of the small clique—for that is what it was—in the Bar Association of New York which came down here and opposed this nomination. The records were open to all of them for all the years in question; and yet they made the assertion that Mr. Hardy received $165,000 from this company, when they knew, because the records were accessible to them, that he never received over $7,500 a year for his services to the company during 4½ years.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. WHEELER. Do I understand that this man was chairman of the board of directors of this company?

Mr. VAN NUYS. He was chairman of the executive committee.

Mr. WHEELER. And while he was serving as chairman of the executive committee did the company send out advertisements containing false representations with reference to the company?

Mr. VAN NUYS. Does the Senator mean in the official statements of the company to the State of New York?

Mr. WHEELER. In the official statements or in the company's advertisements.

Mr. VAN NUYS. I was coming to that matter directly. The Senator from Nebraska dwells upon the fact that indictments have been returned in the State courts against several of the officers of this company. That is true; but every one of the indictments was based upon activities which took place long after Mr. Hardy had severed his connection with the company.

Mr. WHEELER. What I had reference to was the time while he was chairman of the executive committee. Were any of the false representations sent out during that time or any of the advertisements misrepresenting the actual facts in the case?

Mr. VAN NUYS. No misrepresentations were contained in any official statement to the insurance department of the State of New York or any other department. Advertisements were inserted in the New York newspapers which may or may not be said to be misleading. At that time the company was entirely solvent.

Mr. WHEELER. What I wish to find out is, Were misleading statements sent out while Mr. Hardy was chairman of the executive committee?

Mr. VAN NUYS. If they may be denominated misleading, they were sent out during that period. Of course, Mr. Hardy had nothing whatever to do with that department. The company had over 100 employees, and auditors such as Ernst & Ernst audited every dollar of the assets and liabilities before any dividends were declared or any statements published. Simpson, Thatcher & Bartlett, one of the distinguished law firms of New York City, prepared all the mortgage indentures, and did all that sort of legal work for the company. The company had the highest grade loan committee that it was possible to assemble in the State of New York. The former comptroller for the Metropolitan Life Insurance Co., who had passed on more mortgages and appraised the values of more real estate in the city of New York than any other man in that city, was chairman of the loan committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. CLARK. I understand that in connection with the activities of this company several indictments were brought in, and that no indictment was brought in against Mr. Hardy.

Mr. VAN NUYS. That is correct.

Mr. CLARK. Is it not fair to believe that if Mr. Hardy's activities had been blameworthy, or if there was any ground for any charge against him in connection with the activities of the company, he also would have been indicted?

Mr. VAN NUYS. I think that is a fair presumption; but I have read the indictments word for word, and, as I have told the Senate, they are based on facts and activities of the company which took place long after Mr. Hardy had severed his connection with the company.

Mr. CLARK. The point I desire to make is that a grand-jury investigation of the company, going into the whole subject, if it was an honest investigation, naturally would have included Mr. Hardy. Apparently, the grand jury did not find anything blameworthy in Mr. Hardy's conduct.

Mr. VAN NUYS. That is a proper conclusion. I thank the Senator.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. VAN NUYS. I yield to the Senator from Nebraska.

Mr. NORRIS. I could not hear all of the inquiry of the Senator from Montana; but, as I understood, he asked about something which is claimed to have taken place entirely after Mr. Hardy had left the company.

I find on page 115—and, because I did not hear all that was said, I do not know whether this fits in or not—the following testimony by Mr. Cook:

> When the superintendent of insurance examined into that prior to January 2, 1930, he found a deficiency of some $3,000,000 in that so-called guaranty fund.

Mr. VAN NUYS. I shall go to that subject directly.

Mr. NORRIS. It is true that that deficiency was not immediately reported. The Senator from Illinois [Mr. DIETERICH] asked when the report was made. The answer was that the report was made December 16, 1935; but, as the evidence showed, there was a deficiency of $3,000,000 in the guaranty fund on January 2, 1930. That, of course, was while Mr. Hardy was connected with the company.

Mr. VAN NUYS. Directing the attention of the Senator from Nebraska to that particular instance—and I shall quote from the record in a few minutes—it was a very serious legal question what securities were eligible for the guaranty fund. The best lawyers of New York were questioned about that matter on the witness stand. One of them said it was a legal fiction, it was a matter of bookkeeping, more than anything else. Later legislation on the subject was passed which was not in existence at the time Mr. Hardy was there; but the attorney for the Superintendent of Insurance, the counsel for that department, passed on the securities and held that they were eligible for the guaranty fund. I do not know what else the company could do. If the counsel for the State superintendent of insurance said, "Here are certain securities, and they are eligible for the guaranty fund", I do not know what further authority a man should require.

Mr. NORRIS. Mr. President, if the Senator will yield at that point, that may be a technical legal excuse for the kind of case the Senator has put; but if the securities put up were in default, were not up to the standard required by law, the fact that they were approved by the person who was to handle them merely indicates that he, as well as the other fellow, was in on the fraud.

Mr. VAN NUYS. I may say, in answer to that question, that that certainly is the most pertinent and material indictment against this nominee. To me it was a very serious indictment. In answer to it I wish to quote a statement by Hon. Nathan L. Miller, former Republican Governor of New

York, known to every Member of the Senate, at least by reputation.

Governor Miller appeared at the hearing on this resolution before the bar association in New York. He appeared on behalf of Mr. Halprin. That was on the 9th of January 1936. Governor Miller said:

I am authorized to say that in an interview with Mr. Halprin—

Mr. Halprin is the man who conducted the examination against the State Title Co. for the superintendent of insurance. He is quoting Mr. Halprin himself:

I am authorized to say that in an interview with Mr. Halprin as late as January 4—

That was 5 days before the hearing of the bar association—

he stated that the State Title Co. was one of the two companies in the whole State that did not sell mortgages or certificates with arrears in taxes and that the insurance department never had a complaint from any certificate holder or mortgage holder that a certificate or mortgage sold to him was in default of taxes, interest, or anything else; that the investigation made by the department clearly showed that State Title was the only company operating in New York City against which no complaint was made because of the sale of certificates or mortgages when taxes were in arrears and that he did not find any mortgage or certificate—

This is Halprin himself speaking, I may say to the Senator—

that he did not find any mortgage or certificate sold that had any default on it at all.

Mr. NORRIS. That is contrary to the testimony of Mr. Cook, who made the investigation.

Mr. VAN NUYS. It is absolutely contrary to the testimony.

Mr. NORRIS. That there were such cases—and he gives the dates and amounts—and, as far as the guaranty fund is concerned, I have the testimony right before me now where it is shown that they did not comply; that mortgages were sold even after foreclosure; that the interest was not paid; that the taxes were not paid; that they did not comply with any moral obligation of any kind.

Mr. VAN NUYS. It becomes a question of credibility of witnesses, and I would take the appointee of the State, Mr. Halprin, who has spent years in this activity, rather than the statement of the chairman of an investigating committee who goes out to find certain facts and always finds them and does not produce the countervailing facts which may discredit the conclusions.

Mr. NORRIS. The committee of which Mr. Cook was chairman was not appointed for that purpose. It was appointed by the Governor.

Mr. VAN NUYS. I mean the committee of the bar association.

Mr. NORRIS. He had to use the same man who was acting for the Governor in making this investigation. As I remember, he said that this title company was the worst of all; and if it was not bad, if no complaint had ever been made against it, it would follow, I think, that we would expect to find that all of the investors were paid. The Senator will not deny that they all lost, will he?

Mr. VAN NUYS. Oh, the Senator will not deny that there were 16 or 18 companies, of which this was one of the small ones. This one, I think, had $35,000,000 in default at the time of the investigation; others had $800,000,000, $700,000,000, and so on. They were all under the supervision of the superintendent of insurance and are being rehabilitated, and if real-estate values come back, as most of us hope and believe they will, these companies will be solvent within a very short time. Those are the facts in the case.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. LA FOLLETTE. I am very much interested in the question concerning the guaranty fund, because, as I understand, there is no denial of the fact that at the time Mr. Hardy was connected with the company it did issue and circulate, through the medium of newspaper advertising, a statement in which the absolute safety of the certificates and the prompt payment of principal and interest were unequivocally, unconditionally guaranteed by a fund. Then, if the Senator will refer to page 97, in the testimony of Mr. Spence, he will find that he refers to the report of Mr. Halprin, whom the Senator has been quoting with favor, and refers to pages 80 and 81 of Mr. Halprin's testimony. Mr. Spence states that pages 80 and 81 of Mr. Halprin's report show that the company purported to have in the guaranty fund $5,573,000 of assets, and he states, "He finds the only assets listed by the company that fulfilled the requirements of section 16 were the assets entitled "Building Loans and Permanent Mortgages on Hand", in the amount of $1,034,000, in round numbers. He says, therefore, that there was a deficiency in the guaranty fund, as of January 2, 1930, of substantially $4,500,000. He finds there was a deficiency in the guaranty fund at the end of December 1930 of $3,095,077.

Can the Senator state whether or not that statement made by Mr. Spence concerning the facts to be found on pages 80 and 81 of Mr. Halprin's report is correct or incorrect?

Mr. VAN NUYS. I can only quote from Mr. Halprin's report further, where he says that it was the opinion of counsel for all the mortgage companies, 16 or 18 of them, and apparently of counsel for the insurance department, that if mortgages had been at any time in good standing, and counted in the guaranty fund, such mortgages continued to be available to be counted, even though the real estate had depreciated.

It is just a question of the legal interpretation of the statute whether or not the securities deposited in the guaranty fund were eligible. Some of the best lawyers said they were, others said they were not. That is about the only conclusion one can arrive at after giving a good deal of thought to the question.

Mr. LA FOLLETTE. Has the Senator made reference to the particular pages of Mr. Halprin's report referred to by Mr. Spence?

Mr. VAN NUYS. I think that if the Senator from Wisconsin will look at pages 19 and 20, he will find it.

Mr. LA FOLLETTE. In the printed hearings?

Mr. VAN NUYS. Either the printed hearings, or in the report which I hold in my hand; I am not sure which.

Mr. LA FOLLETTE. As I understand, the Halprin report was not made a part of the committee record.

Mr. VAN NUYS. No; it was just placed on file, subject to examination.

Mr. BONE. Mr. President, I have found a statement of Governor Miller, in which he says that he is informed that the firm of Simpson, Thacher & Bartlett prepared all of the indentures for group series and certificated mortgages and were the consultants in connection with the problems affecting the issuance and sale of those securities, and that two other lawyers—Mr. Kovin and Mr. Donegan—who were vice presidents of the company, supervised all of the actual details, and that during the entire period referred to in the report, Mr. Hardy was engaged in and maintained an office for the general practice of law. Is that statement correct?

Mr. VAN NUYS. That is correct. Some materiality has been attached to the fact that the city chamberlain of the city of New York invested in these securities and lost a lot of money. The city chamberlain is an official of the court who invests the trust funds of wards of the court, minors, people of unsound mind, that type of people.

The city chamberlain is supposed to be one of the best judges of the value of real estate and of bona-fide securities in the whole city of New York. Most of these investments were made upon order of the court, after investigation as to their value and validity. I think one of the highest compliments that could be paid to the mortgage company in question is that the city chamberlain of the city of New York, under order of court, after petition and hearing, invested millions of dollars in this particular mortgage and title company. Instead of that action being used as an indictment against the company, it seems to me to be one of the most admirable endorsements of the good faith of the company and the value of its securities.

I wish to refer to one other matter. The Senator from Nebraska [Mr. NORRIS] has criticized the subcommittee somewhat because of its attitude. It also has developed

that the investigating committee headed by Mr. Cook may be subjected to similar criticism. The truth is that after the President made the ad-interim appointment of Mr. Hardy, and he took his office, this self-constituted committee of censorship, composed of a small part of the Bar Association of New York, invited Mr. Hardy to appear before it and show reason why he should be appointed United States attorney for the southern district of New York. On that committee of 12 there was 1 prominent lawyer defending a claim brought by the Government against his client for over $6,000,000. There were three other lawyers defending substantial claims brought by the Government. Mr. Hardy said, "I will not put myself under obligation to you gentlemen. I have an undivided loyalty to the Government of the United States."

Mr. President, I glory in Mr. Hardy's independence. As one of the witnesses said, if he had subjected himself to that committee and put himself under obligation to lawyers of that type, he would have disqualified himself, in the witness' opinion, as a nominee for the position of United States attorney, and I am sure the Senator from Nebraska will agree with that statement.

Mr. NORRIS. Mr. President, if the nominee was so sensitive, he certainly would not let the fact that one member of the bar association committee or two or three members of the bar association committee had cases against the United States make him feel as though he would be disqualified if he went before the committee. If he felt so sensitive, it seems to me he ought to have told the President, as the editorial which I read said he ought to do, that he did not wish to embarrass the President or his administration or the administration of justice in New York, and he ought not to have permitted his name to come before the Senate at all, as a candidate, under all the circumstances.

Mr. VAN NUYS. I suggest to the Senator that it was not a question of being sensitive, but it was a question of a man having fine sensibilities, which this man demonstrated by refusing to attend the committee meeting.

Mr. NORRIS. I do not believe Mr. Hardy would have been subject to criticism had he gone before the committee. In fact, I think he ought to have gone to the meeting of the committee, no matter who was on the committee, if he had any defense to make, and ought to have made it. If he had done so, in my opinion, it would not have put him under any obligation to some attorney who had an action pending against the United States.

Mr. VAN NUYS. That is just a difference of opinion, Mr. President. I think it would; and I think Mr. Hardy is to be complimented upon his undivided loyalty, as I stated previously.

Mr. NORRIS. At least nobody criticized him for not going. The committee desired to be fair. It said, "You may appear here."

Mr. VAN NUYS. Mr. President, I desire to say in conclusion that if Mr. Hardy had gone before the committee of the bar association and those gentlemen defending millions of dollars' worth of claims against the United States had endorsed him, we never should have had this difficulty presented to us.

That is all I have to say.

Mr. COPELAND. Mr. President, it would be absurd for me to attempt any discussion of the legal aspects of this case. But there is a human side to it which means much to me. I should not be satisfied to have the record terminated without speaking of that side of the problem.

In the beginning of his remarks, the Senator from Nebraska [Mr. NORRIS] said that he had no personal knowledge of or acquaintance with Mr. Hardy. I am sorry that the Senator has not had that privilege. It is a privilege, one that I have enjoyed for nearly a quarter of a century. Because of my contacts with Mr. Hardy and my faith in him as a man, my opportunities to know something of his character, and my belief in his integrity, I want to say just a word or two about him.

In the first place, Mr. President, I desire to tell Senators that I was in Mr. Hardy's confidence in the matter of his appointment from the time it was broached to him by the President. Please do not misunderstand me. I do not make recommendations to the President and he never consults me about those he intends to make. But in this particular instance, Mr. Hardy, my friend, came to me to tell me that the President was anxious to have him made United States district attorney for the southern district of New York. He told me of his embarrassment by reason of the fact that he had had this request made of him, embarrassment because of his activities in his profession and in his own office; that it would be a personal and financial loss to him to accept the office. But the President had asked him to do it, and he felt that perhaps, in view of his long-time, close relationship with Mr. Roosevelt, he ought to accede to the request. The matter drifted along for some months, when I learned from Mr. Hardy that the request had been renewed.

It does not seem to me that a man who is drafted for a job could be considered as one who might, by reason of his acceptance of the office, improperly serve former associates. If Mr. Hardy had been an active candidate for this office, if I had had 300 letters from his friends, such letters as we have recorded in the volume of the hearings, that would create quite a different impression. But Mr. Hardy is in this embarrassing position today by reason of the fact that he was commandeered by the President of the United States to take a place he never sought, to undertake this important work in New York.

I can quite understand why the President wanted Mr. Hardy. He has been tested in the fire of public opinion through many years. He was corporation counsel under Mr. Mitchel, a reform mayor, and had a distinguished career in that office. He brought to the position a degree of intelligence, legal training, and efficiency such as that office has rarely had. As an intelligent, well-informed citizen of the State of New York, of course, Mr. Roosevelt, first as a private citizen and afterward as Governor of the State, knew of the achievements of this fine, outstanding character. I was not and am not surprised that the President in looking over the field in New York chose this particular man.

The other day I opposed, and shall continue to oppose certain nominations of the President which I think are uncalled-for nominations. But I am glad to support the nomination of Mr. Hardy, not because of the political endorsement he has from that group of the Democratic Party of New York to which I belong, because he has not that endorsement so far as I know, but because my endorsement, my hearty and sincere endorsement of Mr. Hardy, arises from the fact that I know the man. Doubtless I have made many mistakes in my estimates of men, but after all a doctor learns a lot about people that the layman never grasps, perhaps. In this instance there is no disagreement between the doctor and the multitude of other people who have gladly endorsed this nominee.

It may be unusual, as the Senator from Nebraska said, to include in a senatorial record a list of names such as we find here. Not until this afternoon did I look over that list. I find recorded here the names of men I know personally, and have known for years. For instance, we have the name of Samuel Seabury. Samuel Seabury is anathema to my branch of the Democratic Party. Nevertheless Samuel Seabury is an outstanding character, respected, if not beloved, by all of New York. He has said he is for Mr. Hardy.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. Certainly.

Mr. NORRIS. Is that the same Seabury who appeared at the meeting of the bar association which considered the nomination and who advocated the adoption of a resolution against Mr. Hardy?

Mr. COPELAND. I am not familiar with what happened at the meeting of the bar association, not being a member of the bar. I do not know whether it is the same Samuel Seabury or not, but I find here a telegram of congratulation and best wishes from Samuel Seabury.

Mr. NORRIS. That would not necessarily be inconsistent with the fact that he did what I have suggested. If I am wrong, I should like to be corrected.

Mr. COPELAND. I do not know whether the Senator is wrong or not, but if Mr. Seabury, the man of whom the Senator from Nebraska speaks, is opposed to Mr. Hardy, then some of my New York friends will be all the more for him.

Mr. NORRIS. Then the Senator is reading some recommendations in which he himself does not believe?

Mr. COPELAND. I question that conclusion, but let me give one or two in which I certainly do believe.

Mr. NORRIS. I should like to get the record straight about Mr. Seabury. The record shows that Mr. Seabury was advocating the adoption of a resolution condemning Mr. Hardy and afterwards sent him a letter of congratulation. I suppose that is on the same theory that the defeated candidate for office usually sends a letter of congratulation to the man who beat him.

Mr. COPELAND. It may be, but I hope the Senator has more reason than the one he just alleged for his opposition to Mr. Hardy; and, of course, he has, because he has already recited them.

I shall now refer to some persons who are better known to me than Mr. Seabury. I find a letter of congratulation—and I think I heard the Senator from Nebraska say a little while ago that the gentleman appeared before the committee in behalf of Mr. Hardy—from Mr. Nathan L. Miller, former Governor of the State of New York. It has been my duty to appear on the stump against Mr. Miller, yet for him I have always had very high regard and respect. I think when he speaks in approval of a candidate for office he is very sincere in the matter.

Then we have Mr. George Z. Medalie. He does not belong to my branch of the Democratic Party or any other branch of the Democratic Party. But he had long experience as United States district attorney in New York and gained the respect of the community because of the fine way in which he conducted that office. He was also the opponent of my colleague, but in spite of that fact and also that he has always opposed me in my appeals for votes, he is an upstanding man whom my colleague and I respect.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. NORRIS. I presume an examination of the record and the newspapers at the time would disclose the fact that Mr. Hoover, when he was defeated by Mr. Roosevelt, sent Mr. Roosevelt a telegram of congratulation. Would the Senator infer from that that Mr. Hoover was going to support Mr. Roosevelt?

Mr. COPELAND. I hold no brief for Mr. Hoover. I assumed when Mr. Roosevelt was elected President that Mr. Hoover, as a good citizen, would say, "I am for you and wish you well."

Mr. President, I have not been so fortunate when I have run for office always to have my opponent telegraph me his congratulations. I stayed home on one election night, though wishing to go down and join the celebrants, because I felt I could not go until I had had that letter or telegram of congratulation from my opponent. I did not get it and I missed all the fun. But if Mr. Hoover sent this telegram of congratulation, he did the proper thing, as I see it.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. Certainly.

Mr. BARKLEY. Those persons who are recorded as having congratulated Mr. Hardy were not opponents of his for the office to which he was appointed, so there is no analogy between a defeated candidate congratulating his successful opponent and the endorsement of Mr. Hardy by these different men.

Mr. COPELAND. That is correct. I thank the Senator and agree with him.

I do not know how much it may mean to other Members of the Senate, but to me it is very significant to find certain names included in this list. I find, for example, a letter from Mr. William T. Chadbourne, who happens to be a personal friend of mine. He might have been my opponent if he had had votes enough in the Republican convention at the time the opponent who did run against me was nominated. Mr. Chadbourne sent a letter to Mr. Hardy. Mr. Chadbourne is a bosom friend and had much to do with the election of the present mayor, Mr. LaGuardia, of the city of New York. My colleague [Mr. WAGNER] reminds me, sotto voce, that Mr. Chadbourne managed Theodore Roosevelt's campaign in 1912.

I find here a very cordial letter from the Reverend Dr. Christian F. Reisner, of New York. Dr. Reisner is the best-known Methodist preacher in the State of New York, pastor of the Broadway Tabernacle. He is a man who has taken an unusual interest in civic affairs in the city of New York, a man who is often critical even of his friends.

When I ran for the Senate in 1922 the wet and dry issue was about as bitter as it has ever been in my State. Outstanding Democrats like the Senator from Kentucky [Mr. BARKLEY], the Senator from Mississippi [Mr. HARRISON], and the Senator from Arkansas [Mr. ROBINSON] had not yet turned wet! When I was a candidate in 1922 my good old friend Dr. Reisner, whom I had known in the West and with whom I had a rather intimate acquaintance extending over a period of 25 years, denounced me because, he said, "While Dr. COPELAND is a Methodist, he is running on a platform which is as wet as the Atlantic Ocean." But the Reverend Dr. Reisner—a just man, a man who has a right to express his opinion, and does so no matter where the chips may fall, as I have already indicated—writes a letter to the President of the United States to say:

I cannot resist the impulse to heartily congratulate you over the most excellent appointment of Lamar Hardy—

And so forth.

It is perhaps unnecessary to go along with this argument or with the recital of more names, but I find here the name of Arthur Woods. Arthur Woods—a wealthy man who had no need to participate in political life in any manner whatever—was one of the best police commissioners the city of New York ever had. Arthur Woods is pleased over this nomination. He is not a lawyer, so I do not suppose he went to the Bar Association to make any comments on the subject.

I find here the name of William L. De Bost. Mr. De Bost is a leading citizen of Staten Island. For years he was president of the New York Board of Trade. He is one of the finest Christian gentlemen I have ever known, and a man who is respected throughout the length and breadth of New York. He says:

There is some justice in politics after all.

And, speaking of the President—

And his picking you out for this position is most gratifying to all self-respecting citizens here.

I should like to have Mr. De Bost say that about me sometime.

Mr. President, I am not going to say more. If I were regarding this purely as a matter of politics, I should not be for Mr. Hardy. In the first place, I never had an appointment from the administration, and I never expect to have one. I have every reason to be in opposition to the appointments made by the administration. In the next place, Mr. Hardy is not endorsed, as I said a little while ago, by the branch of the Democratic Party in New York to which I belong. But disregarding politics entirely, and speaking to you Senators as one man to a group of men, regardless of mistakes that may have been made, regardless of captious criticism of unfortunate legal entanglements, in spite of all the things that might be said in bitterness—all of which I think can be and have been explained away—I am here to say to you, my dear colleagues, that we shall never be called upon to pass judgment upon a finer character than that upstanding citizen of my city, Mr. Lamar Hardy.

Mr. WAGNER. Mr. President, I do not want to delay the vote upon the question of the confirmation of Mr. Lamar Hardy. However, I should not wish to create, as a result of keeping quiet, any impression that I might be indifferent to Mr. Hardy's confirmation. I regard him—and that is my only reason for supporting him—as eminently qualified, from the standpoint of character and legal acumen, for this very high and important office.

I do not criticize those who appeared before the Judiciary Committee in opposition to the confirmation of Mr. Hardy, nor do I question their sincerity; but it will be noted that all of the opponents admit that Mr. Hardy is a man of fine character and exceptional capacity, which he has exhibited not only in the private practice of the law but also in public office.

My colleague has just mentioned the fact that Mr. Hardy was corporation counsel of New York, and thus headed what is, I think, the largest public legal office in the United States; and it is generally recognized that we have never had a more able and conscientious man in the position.

Any misapprehension as to the character and ability of Mr. Hardy, which may have arisen as a result of some of the things that have been said here, may be removed without difficulty.

Let me emphasize first of all that the district attorney of New York County made a thorough investigation of the conduct of the companies which have been discussed here this afternoon. Now, I am not here to condone a single act or offense of some of those who conducted some of these mortgage companies. In my judgment, there were some individuals guilty of fraud, and others probably of criminal offenses. But the investigation, when it was completed, clearly exonerated Mr. Hardy of any unworthy act, or of any impropriety in association with these companies.

Secondly, the attorney general of the State of New York made a thorough investigation of the conduct of the companies; and as a result of his investigation it was clearly established that Mr. Hardy was free from any kind of wrongdoing.

I desire to add only one other thing. Very recently, Mr. Lamar Hardy rendered a public service of great value to the people of New York, for which he neither asked nor received any compensation whatsoever. At the time the Bank of the United States failed, several years ago, about 500,000 depositors were threatened with the loss of all their savings. Together with Mr. Max D. Steuer, of New York, Mr. Lamar Hardy volunteered his services to the depositors of the institution; and for months, without any compensation, Mr. Hardy gave practically his entire time to the task of salvaging as much as could be salvaged for the depositors of the bank. He also attempted to bring about a reorganization of the bank.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. WAGNER. Yes.

Mr. WHEELER. I am seeking information. I find, on page 94 of the testimony, the following statement by a man by the name of Spence. I do not know Mr. Spence, but I am assuming that his testimony is correct. He said:

> Now, to get back to the situation under which that company was operating, in 1930 and 1931 it still continued to sell to the public property which had been foreclosed, and sold such mortgages to the public for 3 or 4 years. Not only that but that company sold to the chamberlain of the city of New York over $3,000,000 of securities, mortgage certificates, and straight mortgages. All but some $250,000 of those mortgages are in default.

In other words, he states that this company, during the period when this man was chairman of the executive committee, sold mortgages which had been foreclosed.

Mr. WAGNER. I may say to the Senator that although I would be quite willing to rely upon Mr. Hardy's word that he had nothing to do with the particular transaction which the Senator has mentioned, it is not necessary to rely on that alone. There have been investigations by the Attorney General of the United States and by the attorney general of the State of New York and by the district attorney of New York County, not only into the conduct of this company but of a number of other companies involved. All reached the conclusion, which even Mr. Cook and Mr. Shearn, as opponents of Mr. Hardy, have reached, that Mr. Hardy's well-earned reputation for character and integrity were in no way affected by those transactions.

Mr. NORRIS. Mr. President——

Mr. WAGNER. The Senator from Nebraska read an account—and I do not know whether it was in a newspaper or from the testimony—in which it was emphasized that none of the gentlemen in opposition questioned the integrity or the capacity of Mr. Lamar Hardy.

Mr. NORRIS. I could not hear all of the answer of the Senator to the Senator from Montana, but regardless of how many investigations might have been made, does the Senator excuse the conduct of that corporation, as shown in the testimony at the bottom of page 94, when over $3,000,000 was invested in those securities, and it was shown that all but $250,000 of these mortgages were in default?

Mr. WAGNER. Of course, I do not excuse it. I might say to the Senator that I am one of several attorneys in New York who have attempted to reorganize some other companies, so that we might save at least a part of the fortunes which had been invested in securities. What I do say is that I am convinced by all of these investigations that Mr. Hardy is not involved in any of the transactions which have been criticized.

Mr. NORRIS. At the time of these occurrences Mr. Hardy was a member of the board of directors and chairman of the executive committee of the company.

Mr. WAGNER. I may say that at the bar association meeting Mr. Seabury and Mr. Cook and a third gentleman, whose identity I do not recall, spoke in opposition to Mr. Hardy, but conceded that, so far as his character and his capacity were concerned, they were in no way impugned. The opposition merely expressed the fear that because of Mr. Hardy's association with these companies public confidence in him might not be inspired.

In answer to that, let me say that my colleague read letters and telegrams from some of the most eminent people in New York, not merely lawyers who practice in court but others, endorsing Mr. Hardy.

Mr. NORRIS. Mr. President, the Senator knows from his experience, with applications being made to him for appointment to office, that practically anyone can get endorsements of that kind.

Mr. WAGNER. No.

Mr. NORRIS. Yes; it might have been shown here that he was a member of the church, that he contributed to charity, and all that sort of thing, indicating very good qualities.

Mr. WAGNER. Mr. Abram I. Elkus and a host of others of similar standing would not, if they had the slightest question about the integrity of Mr. Hardy, endorse him. These matters have all been publicized in New York, and it was after that was done that these particular endorsements came to Mr. Hardy. I do not rely upon that alone, however. I have read the testimony in the case, and I think I know my conscience, and if I were satisfied that Mr. Lamar Hardy was not, from the standpoint of character and capacity—and character more than capacity—qualified for this office, I would not support him. Unlike my colleague, I was never consulted with reference to this nomination, nor did Mr. Lamar Hardy confide in me to the extent of asking my advice as to whether he ought to accept the office or not.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for a question?

Mr. WAGNER. Certainly.

Mr. LA FOLLETTE. If the Securities Act had been on the statute books when Mr. Lamar Hardy was a member of the board of directors and chairman of the executive committee of this title company, he would have been responsible, would he not, for the character of advertising that was put out to the public concerning the securities they were offering for sale?

Mr. WAGNER. So far as that is concerned, at the time when Mr. Hardy was connected with the company, as I understand, a report had been made by the superintendent of insurance in which he found this particular company not only solvent but profitable.

Mr. LA FOLLETTE. I was not referring to the acts which resulted in the indictment of other directors of the company. I was confining my inquiry to the question as to whether or not Mr. Hardy, as a director and chairman of the executive committee of this company, would not have been liable under the provisions of the Securities Act for knowledge and responsibility as to advertising in the press of securities which his company was offering for sale.

Mr. WAGNER. I do not know enough about the facts to answer whether or not there would have been any civil liability.

Mr. LA FOLLETTE. I understood the Senator was absolving Mr. Hardy from responsibility on the ground that he did not know what was going on, but, as a matter of fact, he was a director of this company; and he was chairman of its executive committee when it was issuing advertising, as I understand, to the people of New York asking them to invest in these securities because they were so safe and because they were protected by this guaranty fund, when Mr. Halprin's report showed that the guaranty fund at that time was impaired to the extent of some four and a half million dollars.

Mr. ROBINSON. Mr. President, I inquire of the Senator from New York whether he would be willing to suspend now and resume tomorrow.

Mr. WAGNER. Yes; I would be willing.

Mr. ROBINSON. It is apparent that some more time, perhaps an hour, will be required to conclude consideration of the nomination now before the Senate. I therefore desire to submit a request for unanimous consent.

I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that at not later than 1 o'clock the Senate proceed to vote on the nomination.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. LA FOLLETTE. I suggest to the Senator that it would be more equitable to provide for some limitation of debate so that no one Senator or two or three Senators could occupy the entire time.

Mr. ROBINSON. Mr. President, I will have to change the request, in view of the suggestion of the Senator from Wisconsin.

I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that the consideration of the nomination now before the Senate be resumed in open executive session when the Senate convenes tomorrow at 12 o'clock, and that no Senator thereafter shall speak more than once or longer than 10 minutes on the nomination.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Executive reports of committees are now in order.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. BYRD in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the next nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

MESSAGE FROM THE HOUSE

A message from the House of Representative, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. STEPHEN A. RUDD, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

NAVAL AIR STATION, MIAMI, FLA.

The Senate resumed legislative session,

The PRESIDING OFFICER (Mr. BYRD in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on the part of the Senate.

DEATH OF REPRESENTATIVE RUDD, OF NEW YORK

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The resolutions (H. Res. 474) were read, as follows:

IN THE HOUSE OF REPRESENTATIVES
OF THE UNITED STATES,
March 31, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. STEPHEN A. RUDD, a Representative from the State of New York.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, this House do now adjourn.

Mr. COPELAND. Mr. President, as we have just learned, one of our beloved colleagues from New York, Hon. STEPHEN A. RUDD, has departed this life. He was a man highly respected and beloved by the people of his district, and, as I have already indicated, he was beloved by his colleagues. At a later time we shall hold more appropriate exercises in his memory. In the meantime, I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S. Res. 273) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. STEPHEN A. RUDD, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution, the Presiding Officer appointed as the committee on the part of the Senate Mr. COPELAND and Mr. WAGNER.

Mr. COPELAND. Mr. President, as a further mark of respect to the memory of the late Representative RUDD, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Wednesday, April 1, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 31 (legislative day of Feb. 24), 1936

POSTMASTERS

CALIFORNIA

Ethelbert T. Stanford, Castella.
Nannie A. Coleman, Kentfield.
Grace P. Johnson, Windsor.

IOWA

Ruth A. McMeel, Coggon.
Elmer J. Hylbak, Lake Mills.
Frank W. Baumgardner, Livermore.
Byrd S. Clark, Mount Vernon.
Hans C. Johnson, Northwood.
Daniel C. Norris, Prairie City.
Harry F. Lewis, West Liberty.

LOUISIANA

Frank B. Kennedy, Cameron.
Samuel A. Fairchild, Vinton.

MISSOURI

Margaret H. Stewart, Mexico.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 31, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious Father, have us go in the path of Thy commandments and incline our hearts unto Thy testimonies. Let Thy mercies come to us, O Lord, even Thy salvation, according to Thy word. Do Thou arrest our attention and shape the character of our thoughts and desires. In Thee may we learn is the destiny of humanity; enrich it with the ministries of Thy knowledge; enfold the least and the feeblest, the noblest and divinest. We pray Thee to enable us to guard most jealously our impulses and our conceptions of our high calling, that the lament of failure may not be a minor note in our service. O keep our people from the coils of disobedience and from being guilty lovers of lawlessness. Enthuse us all with the spirit of a deep sense of moral government and with the courage of a mighty crusade against the threatening vanities and selfish luxuries of modern life. O Prophet of God, may we be gratefully mindful of Thee as we approach earth's greatest hour. We kneel at the altar of our souls in recognition of Thy providence. An honored Member, a splendid citizen, and a good man has left us. Comfort the sorrowing loved ones and keep them in perfect peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11945. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts.

COMMODITY CREDIT CORPORATION

Mr. SNELL. Mr. Speaker, just before we adjourned last evening, at my request there was an arrangement whereby we were to have a roll call on the passage of the Commodity Credit Corporation bill. I have changed my mind and withdraw my demand for a roll call vote.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL, 1937

Mr. PARKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman tell us by how much the bill was increased in the Senate?

Mr. PARKS. The Senate increased the bill fifty-odd millions. It is because of this we are asking the conference, and I sincerely trust the gentleman will stay with us when we come back.

Mr. RICH. This is the War Department appropriation bill.

Mr. PARKS. Yes; but the increase was in the nonmilitary activities, rivers and harbors.

Mr. RICH. Does the gentleman recall that the House increased the bill $120,445,036 over last year's appropriation?

Mr. PARKS. I think the gentleman's figures are wrong.

Mr. RICH. No I am not wrong, the figures are correct. When the House of Representatives increased this bill $120,000,000 and over it was excessive.

Mr. PARKS. It was within the Budget.

Mr. RICH. Who made out this Budget?

Mr. PARKS. The powers that be, of course; the people who brought back prosperity made it out.

Mr. RICH. Whom does the gentleman mean by "the powers that be", who are they in Washington?

Mr. PARKS. The people who brought us back from this terrible depression we were in, the people who got this country so the gentleman's concern said, "We have had the best year in many, many years"; they are the people who helped make this Budget.

Mr. RICH. The people who brought back prosperity?

Mr. PARKS. That is right.

Mr. RICH. If there is prosperity, I should like to know just exactly where it is.

Mr. PARKS. In the gentleman's manufacturing concern. That statement was made on the gentleman's own letterhead.

Mr. RICH. There is no use getting funny about this.

Mr. PARKS. I am not funny; I am awfully serious.

Mr. RICH. This is not going to be funny; this is one of the most serious things facing the Nation today. The most serious problem we have facing this Nation today is unemployment; people in need. There is only one thing for us to do, and that is to conduct the affairs of Government in a sound, sensible, businesslike way. We owe certain obligations to the people back home, and I am trying to think of these people.

Every time we increase an appropriation bill over what it was the previous year we are increasing the cost of Government, and next year it will require larger appropriations than this year. The point I want to stress is that the sorrowful effects of this extravagance will not become apparent until the future. It is not what we are doing right now but what faces us in the future. We certainly are wrecking the Nation financially, and the future boys and girls will have to bear the burden.

Mr. PARKS. Will the gentleman now let me say one thing? We are asking this conference with the Senate in order that so far as it is possible and practicable we may stand by the figures of the House and not increase the bill by this fifty-odd millions of dollars, and I hope I may have the gentleman's assistance.

Mr. RICH. The gentleman certainly will have that.

I ask the gentleman if he does not think we ought to cut down the $121,000,000 increase the bill carried over last year? Otherwise we will be faced with a further increase next year.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PARKS. I yield.

Mr. BLANTON. The Senate has added amendments aggregating $62,000,000 to this bill. What the House of Representatives wants to do is to keep this $62,000,000 out of it. The House of Representatives kept this bill within the Budget, and it did not exceed the Budget until it went to the other end of the Capitol, and the Senate added numerous amendments carrying many millions of dollars to it.

Mr. RICH. The trouble with our conferees is that they let the Senate pull things over on them.

Mr. BLANTON. The gentleman is very much mistaken about that. The House conferees are always able to hold their own with the Senate.

Mr. RICH. We want conferees who have some backbone.

Mr. BLANTON. I believe that the Speaker will appoint conferees who have plenty of backbone.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Chair appointed the following conferees: Mr. PARKS, Mr. BLANTON, Mr. MCMILLAN, Mr. SNYDER of Pennsylvania, Mr. DOCKWEILER, Mr. BOLTON, and Mr. POWERS.

THE DEPARTMENTS OF STATE, JUSTICE, THE JUDICIARY, COMMERCE, AND LABOR APPROPRIATION BILL, 1937

Mr. MCMILLAN, from the Committee on Appropriations, reported the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the Judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1937, and for other purposes (Rept. No. 2286), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BACON reserved all points of order.

NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH. Mr. Speaker, I call up the conference report on the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

[To accompany S. 4212]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 2 of title I of the National Housing Act, as amended, is amended, effective April 1, 1936, to read as follows:

"'SEC. 2. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them on and after April 1, 1936, and prior to April 1, 1937, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available, for the purpose of financing alterations, repairs, and additions upon improved real property, and the purchase and installation of equipment and machinery upon such real property, by the owners thereof or by lessees of such real property under a lease expiring not less than six months after the maturity of the loan or advance of credit. In no case shall the insurance granted by the Administrator under this section to any such financial institution on the loans, advances of credit, and purchases made by such financial institution for such purposes on and after April 1, 1936, exceed 10 per centum of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance heretofore and hereafter granted under this section shall not exceed in the aggregate $100,000,000.

"'(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title, and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of $2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, or improved by some other structure which is to be converted into a structure of any of the types herein enumerated, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of $50,000: *Provided*, That after April 1, 1936, no insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it in the amount of $2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

"'(c) Notwithstanding any other provision of law, the Administrator shall have the power, under regulations to be prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"'(d) The Administrator is authorized and empowered, under such regulations as he may prescribe, to transfer to any such approved financial institution any insurance in connection with any loans and advances of credit which may be sold to it by another approved financial institution.'

"SEC. 2. Section 3 of title I of the National Housing Act, as amended, is hereby repealed."

And the House agree to the same.

The House recedes from its amendment to the title of the bill.

T. ALAN GOLDSBOROUGH,
M. K. REILLY,
FRANK HANCOCK,
JNO. B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

ROBERT J. BULKLEY,
ALBEN W. BARKLEY,
JOHN G. TOWNSEND, Jr.,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate bill limited the loans, advances, and credit, and purchases of obligations representing loans and advances of credit made on and after April 1, 1936, to the financing of alterations, repairs, and additions upon improved real property and the purchase and installation of equipment and machinery upon such real property by the owners thereof or by leases of such real property under a lease for a period of not less than 1 year. Under this provision of the Senate bill, loans for new construction on vacant land would not be permitted but under the House amendment such loans would have been permitted. The conference agreement adopts the provision in the Senate bill in this respect, but in lieu of the provision with respect to leases contained in the Senate bill the conference agreement adopts the provisions of the House amendment, namely, that an eligible lessee should be one holding under a lease expiring not less than 6 months after maturity of the loan.

The House amendment also contained a provision, which was not contained in the Senate bill, under which the financing of the purchase and installation of equipment and machinery on real property was in connection with loans made to owners and lessees of property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants. The conference agreement provides that the insurance provided for under the bill shall not apply to any loan in the amount of $2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

The House amendment also contained a provision not contained in the Senate bill under which the Administrator was authorized and empowered to transfer to any improved financial institution in connection with loans and advances of credit to it by another approved financial institution. The conference agreement retains this provision with minor clarifying amendments.

The House also recedes from its amendment to the title of the bill.

T. ALAN GOLDSBOROUGH,
M. K. REILLY,
FRANK HANCOCK,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

Mr. DUFFEY of Ohio. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Adair	Driscoll	Kee	Polk
Allen	Dunn, Miss.	Kennedy, Md.	Ramspeck
Amlie	Eaton	Kinzer	Reed, Ill.
Berlin	Eckert	Kocialkowski	Robsion, Ky.
Brewster	Ellenbogen	Lee, Okla.	Romjue
Buckbee	Farley	Luckey	Sanders, La.
Buckley, N. Y.	Fish	Lundeen	Short
Bulwinkle	Fitzpatrick	McClellan	Sirovich
Carmichael	Gillette	McGehee	Steagall
Casey	Goodwin	McGroarty	Stewart
Cavicchia	Gray, Pa.	McKeough	Sweeney
Chapman	Greenway	McLeod	Taber
Claiborne	Gregory	McReynolds	Thomas
Clark, Idaho	Halleck	Montague	Tinkham
Connery	Hamlin	Montet	Underwood
Crosby	Healey	Moran	Wadsworth
Culkin	Hoeppel	Nichols	Wearin
Dear	Houston	Norton	Wood
DeRouen	Jenckes, Ind.	Oliver	Zimmerman
Dorsey	Jenkins, Ohio	Peterson, Fla.	

The SPEAKER. Three hundred and fifty have answered to their names. A quorum is present.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, since the House adjourned yesterday our beloved colleague, Congressman Rudd, of New York, has passed away. It was the purpose of the leadership of the House to adjourn immediately upon the call of the House this morning, except for the fact that a conference report on the Housing bill, extending its terms, has to be acted upon at once. The Housing Act expires tomorrow night. This conference report has already been adopted by the Senate. It is the purpose to send an airplane to the President to have this law continued before its expiration tomorrow night at 12 o'clock. For this reason, and this reason alone, the House is in session at this time, and, as I understand, we will adjourn immediately upon action being taken on this conference report.

Mr. Speaker, the conference report on the House bill is a unanimous report on both sides of the Congress. It was agreed to yesterday afternoon, and the Senate immediately adopted the report. It is desirable that the report be acted upon immediately in the House. Last evening I asked unanimous consent for immediate action in the House, but there was an objection. Under the rules action had to be deferred until this morning.

The House bill as adopted is practically as passed by the House, with the exception that the clause involving new construction on buildings covered by insured loans up to $2,000 was not left in the House bill. That provision was stricken at the instance of the Senate. The Senate agreed that equipment should be stricken out of the Senate bill, which, as I stated before, leaves this legislation practically in the form it left the House, with the one exception that the so-called cheap new construction involving loans up to $2,000 is no longer in the bill.

Mr. COLDEN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from California.

Mr. COLDEN. Does the striking out of this provision deprive the people of the greatest need in this country of the provisions of this aid?

Mr. GOLDSBOROUGH. I was just going into that feature. I can assure my friend that it does not deprive the people of this country of anything, and if the Members will bear with me I will try to explain why that is true.

Mr. Speaker, it was not intended by the Congress that new construction under title I involving loans of less than $2,000 should have been in the law, but after the law was passed it was construed as containing such a provision. The Federal Housing Administration was very reluctant to act under it, but they were compelled to do so. This has resulted in a racket which is destroying the modest home builders, and it is for their protection and their protection alone that this provision has been stricken from the legislation.

Mr. MAY. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Kentucky.

Mr. MAY. I notice in the conference report this statement:

> The conference agreement provides that the insurance provided for under the bill shall not apply to any loan in the amount of $2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

As I understand this language, it simply means that a man who wants to install plumbing in his house or heaters or anything of that kind in a building of less than $2,000 cannot get it from the Housing Administration?

Mr. GOLDSBOROUGH. Of course, he could get aid for the installation of plumbing. The conference report shows no change from the bill as it passed the House on that proposition.

Mr. MAY. I would like to have the gentleman give us a little information on what the racket is, if this is eliminated.

Mr. GOLDSBOROUGH. The provision which the gentleman refers to is exactly as it left the House. There is no change in that. It is only in this new construction of buildings that the change has been made in the conference report.

Mr. CARPENTER. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Kansas.

Mr. CARPENTER. May loans of $2,000 be made for repairs?

Mr. GOLDSBOROUGH. Yes. It is only new construction that is involved. Now, let me explain about this racket.

Many of the banks of the country have built up large insurance reserves. You understand that when the banks have insured up to 20 percent the Federal Housing Administration not only insures the individual loan but it insures all loans that have been taken by the bank. A lot of these banks have built up tremendous reserves, some of them as much as two or three million dollars, and one of them in New York, the National City Bank of New York, about $12,000,000. So a builder can go to a man and say, "I will put you up a building at $2,000 and you will not have to put up a cent." What happens is that the builder constructs the house, a promissory note is given by the owner to the builder, the builder takes it to the bank, and the bank discounts it and is protected in its discount by virtue of this large insurance reserve which it has accumulated. This has become a racket, and has become a racket to such an extent that it is recognized by the large

lumber dealers who value their reputation, and these large lumber dealers have now come to the Federal Housing Administration and insisted that this practice must be stopped, because these buildings will not be paid for. They are placed in undesirable locations. Often a man is taken out in the country and is told, "Here is a new property and here is A Street and here is B Street and here is C Street, and we can build you a house here and it will be an improved community in a short time." He builds the house and takes the note and the note is discounted by the bank. The bank is protected by its insurance and the owner, of course, has the bag to hold. He owes a note of $2,000 and has property that is undesirable.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself 5 more minutes.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. MAVERICK. The Federal Housing Administration does not have to accept that undesirable note.

Mr. GOLDSBOROUGH. They have to undertake the insurance.

Mr. MAVERICK. Does the gentleman mean it is compulsory for them to take such an undesirable note?

Mr. GOLDSBOROUGH. I mean the note does not go to them. When they have qualified the bank to do business, the owner's note is given to the builder. The builder takes the note to the bank and discounts it, and as soon as that note is discounted all the bank does is to report that loan to the Federal Housing Administration and that increases the insurance reserve of the bank.

Mr. MAVERICK. I do not understand how they can be made to take undesirable loans and I cannot understand what the location of the property has to do with the kind of equipment involved, because if the F. H. A. takes bad loans, they will take them whether there is equipment involved or not. I do not understand how that is relevant.

Mr. GOLDSBOROUGH. Equipment is not in the controversy. The House bill did not contain the equipment provision and the only controversy here is over new building construction.

Mr. MAVERICK. But there is such a thing as having new buildings in a new part of town that is good.

Mr. GOLDSBOROUGH. Of course, and that can be taken care of under title II of the Federal Housing Act. Title II of the Federal Housing Act provides that before these mortgages shall be accepted by the Federal Housing Administration they shall be on streets that have sewers, and where they will have schools and churches and things of that kind.

Mr. MAVERICK. I thank the gentleman very much.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CELLER. May I ask the gentleman whether or not there is continued in this conference report the provision that the Government will finance loans for equipment like refrigerators and oil burners in houses?

Mr. GOLDSBOROUGH. As the gentleman knows, when the House passed its bill a few days ago it did not contain that provision.

Mr. CELLER. I wanted to know whether the Senate had put in such a provision.

Mr. GOLDSBOROUGH. No. It was in the Senate bill, and it was taken out in conference.

Mr. CELLER. I thank the gentleman.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Massachusetts.

Mr. HEALEY. There seems to be some confusion as to the action of the Federal Housing Administration on these applications for loans. Is it not a fact that before the Federal Housing Administration agrees to insure a loan the Housing Administration itself passes on the loan? They have an appraisal made and then pass on the application.

Mr. GOLDSBOROUGH. That is true under title II, but under title I they do not have a thing in the world to do with it. To illustrate the matter: You are a builder, and you come to me and you offer to build me a house for $2,000, and state that I do not have to put up any money. You recommend a location, and I agree to it. I give you my note for $2,000, and you take the note to the bank and have the note discounted, and it does not make a particle of difference to the bank whether the note is any good or not, because the bank has built up sufficient insurance reserves to cover the loan.

Mr. HEALEY. That is under title II?

Mr. GOLDSBOROUGH. No; under title I.

Mr. HEALEY. You mean to say that the Housing Administration does not pass on the application or turn it down?

Mr. GOLDSBOROUGH. That is the reason we want to get rid of it.

Mr. HARLAN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HARLAN. If what the gentleman says is true, why is not it preferable to correcting it in one or two ways by giving the Housing Administration supervision of the small loans—making provision for insuring 20 percent of the total instead of insuring 20 percent of each individual loan?

Mr. GOLDSBOROUGH. Small loans can be made under title II, and the supervision can be made under title II.

Mr. DINGELL. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman.

Mr. DINGELL. The gentleman knows my enmity to this measure. I would like to ask whether the gentleman from Maryland would not change his attitude if he knew that the bankers were virtually in collusion with the banking racket?

Mr. McCORMACK. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What has been the gentleman's observation in relation to interest charges?

Mr. GOLDSBOROUGH. The result is this, that these small home owners who have built without any capital have to pay interest amounting to 9.7 percent.

Mr. McCORMACK. And in some cases higher.

Mr. GOLDSBOROUGH. Yes; in some cases higher; 9.7 is the minimum.

Mr. McCORMACK. And under title II you would not have to pay as much.

Mr. GOLDSBOROUGH. Under title II the interest would be less than 7 percent.

Now, I want to say a word or two about some other legislation. There is a bill here reported from the Committee on Banking and Currency giving the Reconstruction Finance Corporation the right to make rehabilitation of loans. This bill was reported from the Committee on Banking and Currency, and we have a rule from the Rules Committee.

I have introduced another bill to help the flood situation, to extend the power, under the National Housing Act, so there will be flood relief in the matter of construction. In other words, so far as the flood areas are concerned, 20 percent will be allowed as insurance for new construction, and the banks will be allowed to use the accumulated reserves. That legislation will be pressed just as fast as possible, and I very sincerely ask the Members of the House to rely upon the judgment of the Banking and Currency Committee and of the conference committee on this legislation. It is legislation we have had before us for 4 or 5 years. We have seen its operation in every possible aspect, and we believe that the conclusion that we have reached is sound and in the public interest. [Applause.]

I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I want the Members to take a look at this plan of a small cottage, which was fabricated by the Federal Housing Administration. It is a cottage approximately 22 feet wide and 26 feet long and contains 2 bedrooms, a large combination kitchen and living room, a bath, and a little alcove eating place. Their estimate upon this cottage, with labor at $1 per hour, is $966. Mind you, this is the Federal Housing estimate. And for a range,

plumbing fixtures, electric fixtures, and all other necessary appurtenances $266. The total cost to set up that house equipped for a family would be $1,227 without the cost of the lot. I contend, and I believe experts in the housing field contend, that when once we can give some momentum to the building of cottages of this kind, so that we can appeal to the folks in the low-income brackets, we are going to absorb the carpenters and the plasterers and the hod carriers and the bricklayers and a great many others among the families who are unemployed at the present time. It seems to me that the whole hope of the unemployment program lies in giving momentum to a sane, common sense housing program that makes an essential appeal to the folks in the low-income brackets. There is the Government's own exhibit on a low-cost house. This is the thing that we are contending for, and have contended for under title I, and yet the conference report that is before you today is going to make it impossible to build those little homes under title I of the act if the conference report is adopted.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GOLDSBOROUGH. But under title II the same house can be built.

Mr. DIRKSEN. I said title I. The gentleman should let me finish my story.

Mr. GOLDSBOROUGH. All right, if the gentleman does not want to be fair. I cannot help that.

Mr. DIRKSEN. I would like to explain how we should consider title II in my own way.

Mr. GOLDSBOROUGH. I stated under title II that same house could be built and could be built where the interest charge would be less than 7 percent, while under title I it is nearly 10 percent, and under title II the owner would be protected in the location of his property.

Mr. DIRKSEN. I shall answer the gentleman in a moment. I want to build this thing up logically and get back to the legislation pending at the present time. We reported this bill out of the Banking Committee last week. We amended the language so as to make it possible to build new construction under title I. That bill came on the floor and was passed by this House. The Senate meanwhile had passed a bill with different language. It went to conference, and yesterday afternoon the conference report came back, so that the new construction feature was taken out of the bill, and as a result you cannot build new construction under title I. The gentleman from Maryland [Mr. GOLDSBOROUGH] says that we have authority under title II to build those homes with the insurance feature.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. SISSON. I have a great deal of respect for the gentleman from Illinois, but is it not a fact that really the gentleman from Illinois is opposed generally to the philosophy of the Housing Act and that this one provision which we passed inadvertently and which has generally been regarded as unsound in the legislation is the provision for which the gentleman most zealously contends?

Mr. DIRKSEN. I hardly think that is a proper statement, although I know that my friend is always fair. The fact of the matter is that I am as much interested in housing as any Member of this body today, but I do not believe that the Housing Administration has conducted this thing in an efficient way so as to get results whereby a solution of the unemployment problem can be contrived.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. DIRKSEN. I do not believe the Housing Administration has conducted this thing in an efficient way so as to get results, and that is borne out by the fact that the President is reported to have said last week that the Government housing program is a mess. If it is a mess in the language of the occupant of the White House, certainly we can possibly implement that program so as to give it momentum and get these people back to work on new construction.

Now let me answer the gentleman from Maryland. He says that this can be constructed under title II. As an abstract matter, that is absolutely correct; but the trouble with it is that when you want to build even a small home under title II these gentlemen down in the Housing Administration will tell you what the grade line of the lot has to be, how many closets you have to have in a bedroom, what your water supply has to be, and they will tell you what kind of sewage disposal they will approve or disapprove. They will dictate precisely the kind of a house you can build and where you can build it. They have made it so difficult to get mortgage insurance on new construction that their own record of new construction is their own impeachment. To the 31st of December 1935, after they had been doing business for 17 months, they accepted mortgages on 42,000 homes, and only 12,000 of those 42,000 homes were of new construction. What further proof is required to show that the F. H. A. has done a great deal to refinance existing mortgages and extremely little to inspire new construction? Financing mortgages on existing property creates no jobs. Insuring mortgages on new construction does create jobs. Their record for creating jobs is, therefore, quite unimpressive. Twelve thousand new houses! What is it? It is a mere drop in the bucket. Meantime, millions of people who would like to go to work upon new construction and get a job as a result of the housing program are not able to get those jobs, and the Federal Housing Administration is sitting on the lid. They say that under title I it will develop into a racket. Do not forget that under the provisions of this bill the insurance feature has been written down to 10 percent, so that on a $1,227 house, where they get a small lot, to make a total of about $1,600, the most they can get on any kind of a loan is going to be but 10 percent. Now, suppose a banker takes a first mortgage upon that property, say, a $1,000 mortgage; there remains the sum of $600 for a modernization loan. It means that 10 percent of that would be guaranteed by the Federal Housing Administration, which would only be a $60 guaranty on a $1,600 house.

How singular that we are willing to take billions of dollars and dump it into buildings where the Federal Government assumes the whole cost, and here we can get a housing program started on the basis of small homes, where we guarantee only 10 percent of the cost. I ask which would be the more acceptable of the two?

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BANKHEAD. In order to clarify this issue, because I know a great many Members are seeking light, is it the gentleman's admission that under title II they have authority to make provision for this construction of which he has been speaking?

Mr. DIRKSEN. Yes.

Mr. BANKHEAD. Under title I that is all they could do, is it not?

Mr. DIRKSEN. They have authority under title II, but it operates under a mutual mortgage system encumbered with red tape, whereby they so carefully look over all features as to simply throw a wet blanket on the whole program. We are contending that title I ought to be liberalized so as to permit new construction, because then you can get idle money everywhere in the country to go to work.

Mr. BANKHEAD. But this provision which the gentleman is advocating is not mandatory upon the commission, is it?

Mr. DIRKSEN. We are trying to make it so.

Mr. BANKHEAD. But, as I understand it, the language of the bill does not require them to make these loans willy-nilly, does it?

Mr. DIRKSEN. Does the gentleman mean under title II or under title I?

Mr. BANKHEAD. Under title I.

Mr. DIRKSEN. Precisely as they have made over $370,000,000 worth of loans, using their own judgment in the mat-

ter, and recognizing the fact that the banks have a very precise interest in the money they loan.

The SPEAKER. The time of the gentleman from Illinois [Mr. DIRKSEN] has again expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DIRKSEN. You cannot be unmindful of the fact that when a banker, a building and loan association, or an installment company or a financing institution makes a loan, they have a very abiding interest in the thing, because after all only a very small proportion of their loan is insured. I contend they are not going to permit an undue amount of abuse to creep in, because they are interested in the directional growth of their own community, and to see that it is not littered and dotted with a lot of paper-shell houses.

I think this is one of the finest provisions that could be written into the bill, and we ought to vote down this conference report.

It has been said that unless we curb the new construction activities under title I, a building racket will develop. What a singular admission to make after three hundred millions have been loaned under title I already and the efficiency with which it was done is loudly heralded and boasted of by the administration. It is said that if we authorize new construction under title I, there is a grave possibility of heavy losses. How does this stack up with the statement made before the committee by Mr. McDonald, the Administrator, that the losses have been very nqminal? And if there have been no losses to speak of under title I in the past, by what strange reasoning do the proponents of this conference report now seek to make this House believe that there will be a larger proportion of losses in the future?

Frankly, I do not understand this reasoning. Heretofore we have been appropriating billions for relief and for unemployment. Will anyone contend that it is better to spend the whole cost out of public funds for building a dog pound at Memphis or a monkey cage in some other town as against a program where private funds are stimulated to a building program under which only a small percent of the loss is insured by the Government?

May I remind you that 76 percent of every building dollar goes for labor and that a program for the building of small houses will go further toward getting at our real unemployed problem than any other suggestion that has yet been advanced? Of this amount, 44 cents is expended on the site. On a $2,000 home, $880 would be expended for labor in the locality where such a house is built; and what a splendid thing it would be if a low-cost housing program could be initiated under title I of this act whereby work might be provided for thousands of men. Let us send this bill back to conference and insist that the original House language be restored whereby new construction under title I will be permitted.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. DUFFEY].

Mr. DUFFEY of Ohio. Mr. Speaker, I think the full membership of this House should understand just exactly how this parliamentary situation arose today. On the 22d of January, H. R. 1051, introduced by myself, called for just a simple provision for the extension of effective date of title I, to April 1, 1937. From that time until last week not only was no action taken by the Committee on Banking and Currency but instead came a new bill with controversial provisions from the Housing Administrator and injected into the consideration of the extension of time of title I. It is not necessary, insofar as title I is concerned, that the legislation be passed today. It can pass a week from today or any reasonable time and still be operative thereafter.

The conference committee struck out that provision which makes reference to new construction of small houses up to $2,000 in value. The Senate eliminated a provision for electrical appliances. It seems to me, Mr. Speaker, that although the reports which have been given to us by the Housing Administrator have a great deal of encouragement, in the administration itself we have not gone right down to the depths of the situation in the building industry, which is so vital to recovery.

As has been so well and frequently said, the building industry was the first to suffer and perhaps the last to recover. Real prosperity depends on the return of that industry. It is a known fact that something like 35 crafts, 35 different types of laboring men, are involved in the construction of any new home. Although it might well be said that the emergency arising from the floods is merely a subterfuge or an outside argument why title I should be amended as it was passed by the House last week, yet we know that throughout the Nation there is great demand for small homes. People desire to have homes, and wide demand exists. It will open up the door to a type of business which, like other types, will help absorb unemployment.

I submit, Mr. Speaker, that this matter is so important that the membership of the House ought to vote down this conference report and send the bill back to conference with instructions that this provision for the small homes up to $2,000 should be retained by the House, and the conferees should be so instructed.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Speaker, ladies and gentlemen of the House, it should take only a few words of explanation to clarify the meaning of the conference report which is now before the House. These reports are necessarily a compromise of the differences between Senate bills and House bills. It is our only means of ironing out the divergence of views between the Members of the House and Members of the Senate. After full and free discussion of these differences, your committee did its best to preserve the House views, but it was necessary that we should give way on one rather important provision, which seems to me to be the main reason for the opposition to the report. I am convinced in my own mind that the report is the best that we could secure in the interest of preserving the House views. Of course, it is a matter for you gentlemen to determine; you can adopt it or you can reject it. That is your prerogative and your right. A considerable number of the Members of the House have during the last several days had an opportunity to understand my attitude toward the operations under title I of the Federal Housing Act. I am glad to say that some of the abuses which I pointed out will hereafter not be possible under the language of the bill covered by the report. This, of course, in its final analysis, will depend upon the attitude of the officials in charge of the law and the extent to which they conform their operations hereafter to the expressed intent of Congress as disclosed in the debate.

The elimination of new construction under title I, as agreed to in the conference report, is entirely proper. A careful review of this legislation from its beginning clearly shows that construction of new homes was to be carried on under title II. Title I was devoted to insuring loans for the purpose of making repairs, alterations, and improvements to homes. Under later amendments authority was given the administration to insure the purchase and installation of mechanical appliances and equipment. This was, of course, a perversion of the original concept of the bill. All of these loans were originally intended to be character loans, and it was solely for that reason that Congress appropriated the $200,000,000 to protect the lending institutions against loss. If it had been known then that these lending institutions would have required security behind their loans, I am confident that this legislation would not be on the statute books today. Certainly no one here would hardly have supported it in the light of what has happened under the operations of title I.

To permit new construction under title I would be to encourage an unsound operation. It would operate against

the owner of the home as well as the Government. In the first place, the Federal housing has little control of or supervision over the loans made under title I, and would therefore be unable to protect the borrower. In the next place, these loans could be second, third, or fourth mortgages, and could apply to any price home. This is, of course, absurd, in the light of the original purpose of title I. Then, too, we should remember that the interest rates and penalties allowed under title I against the borrower are inconsistent with true home-financing rates. Another reason why new construction should not be permitted under title I is that the loans only run for approximately 30 months, which would mean that the borrower would have to resort to the old abominable practices involved in refinancing, which always carry additional brokerage charges and exorbitant costs. No man could be more interested in seeing a sound and feasible plan developed for low-cost housing and well-built, low-priced homes than the man who is addressing you. I shall continue to labor for these accomplishments.

The plan of the beautiful little cottage, so emotionally described by my good friend from Illinois [Mr. DIRKSEN] was never intended to be a title I project. My understanding is that it represents a pattern which the F. H. A. has been working on to take care of home owners whose incomes are in the low brackets. You should remember that under title II the F. H. A. has the authority and the means of insuring new construction up to $1,000,000,000. The interest rate, if I am correctly advised, including the insurance premium, would not exceed 7 percent, and the loans may be amortized over a period of 20 years. Through this plan the borrower has some real protection, but this depends largely upon the administration of the act.

The House should know that the Administrator recommended that the provision permitting new construction under title I be stricken out of the bill. I therefore feel that the House should abide by the judgment of its conferees, and especially when the report is actually in the interest of the low-cost home program to which several Members have referred in their remarks. As a matter of fairness, too, to the F. H. A., it should be remembered that under title I it is all going out and nothing coming in. The only means of covering their operations and providing for inevitable losses is eliminated when you permit new construction under title I, for there is no insurance rate charged against the borrower. No one is more ashamed of the accomplishments of F. H. A. under title II, so far as new construction is concerned, than I am. At the proper time I shall be prepared to advocate necessary changes which will insure that this phase of their activities will be paramounted, rather than the refinancing of old loans, which has been largely another bailing-out process for certain financial institutions. This, however, is not the time to go into that matter.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 additional minutes to the gentleman from North Carolina.

Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. GOLDSBOROUGH. Is it not true that under title I these loans are insured to the banks by the Federal Government wthout any cost whatever on their part?

Mr. HANCOCK of North Carolina. That is correct; and it is a point that I have labored here during the last week to make the House see and understand.

Mr. MAY and Mr. MAVERICK rose.

Mr. HANCOCK of North Carolina. I yield first to the gentleman from Texas and then I shall be glad to yield to the gentleman from Kentucky.

Mr. MAVERICK. I wish to ask the gentleman two questions. We have heard a great deal of talk about the bankers' racket. My first question is, Are these loans properly supervised; and my second question is, Can a man make a loan to build a cottage costing around $2,000 under present regulations?

Mr. HANCOCK of North Carolina. Answering the gentleman's first question, I will say that it is impractical and almost impossible for the F. H. A. to exercise strict supervision over loans insured under title I. Under title II arrangements, as I am informed, are being worked out to take care of the $2,000 type of new homes, similar to the design and plan presented to the House by the gentleman from Illinois [Mr. DIRKSEN].

Mr. MAVERICK. One further question, if the gentleman will permit. Are the laws adequate to provide strict supervision? Does not the gentleman think there should be strict supervision under title I?

Mr. HANCOCK of North Carolina. It would have been impossible for the legislation to be effective in the execution of its original purpose if the regulations were too binding and restricting or involved the usual bolts of red tape. We must not forget the conditions which were responsible for this unusual law.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MAY. I agree very fully with the gentleman's attitude, and I agree with him that we ought to make this housing crowd keenly conscious of what Congress wants them to do, which is to let the small man with moderate means build a small house if he wants to under this program. If this is the gentleman's idea, and I know it is, it is my idea and that of everybody else so far as I know, why would it not be the safest way to write it into the statute law so that they would know beyond peradventure what they should do?

Mr. HANCOCK of North Carolina. Let me say to my friend from Kentucky that we thought the bill would be effective in accomplishing this very purpose. The language is quite clear. It must be said, however, in fairness to them, that the housing problems have not been as easy to work out as some would think. There are many complications and especially if the program is to be effectively sound. I have always felt like the Government should do everything proper to encourage home ownership. I have also always contended that a man with a family who wanted to own a home should be accorded preferential treatment in the matter of financing. There is no doubt that some of the failure of the F. H. A. to increase residential building is due to a lack of understanding of the problem or their inability to enlist the cooperation of financial institutions throughout the country. It is to be hoped, however, that a more efficient program is in the making.

Mr. MAY. Will it be possible, with the statute enacted as this report provides, for the administration to prepare regulations which would block these small loans of $2,000 under title II?

Mr. HANCOCK of North Carolina. Of course not; but the effectiveness of the program will depend upon the attitude of those who formulate and administer it.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. The so-called racket that the Acting Chairman spoke about has resulted so far in a loss of less than five-thirteenths of 1 percent. In other words, the loss to the Government has been less than five-thirteenths of 1 percent?

Mr. HANCOCK of North Carolina. I cannot answer the gentleman's question. As he well knows, I do not agree with many of the published figures of the F. H. A.

Mr. BROWN of Michigan. The gentleman knows that $312,000,000 has been loaned under the provisions of this act and that the loss is less than $900,000?

Mr. HANCOCK of North Carolina. I know the reported loss is supposed to be less than a million dollars. But, as I stated the other day, this is what you might call a "prospectus" figure. Of course, no one can determine today the actual losses; but common sense tells us that the older the loans get the higher will be the curve of losses.

Mr. BROWN of Michigan. Why does the gentleman think that after improvement in general conditions these losses are going to be greater in the future than in the past?

Mr. HANCOCK of North Carolina. Economic conditions will have their effect, but it is a matter of common sense

that the older the loans get the more the loss will be. New loans do not usually show much loss.

Mr. BROWN of Michigan. Are not these loans getting gradually better by reason of payments?

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HANCOCK of North Carolina. I would say to the gentleman from Michigan that some of the loans will improve, but some of them will get worse. It does not stand to reason that out of 870,000 loans as reported of this kind, made under these conditions where the banks and installment financing companies are protected by the Government, more than 75 percent of them will ever be paid in full. Of course, that is my estimate, and is not worth, perhaps, any more than the estimate of any other person who is familiar with the operations under title I. If the loans had been strictly character loans this percentage would not have been something to decry. That is my view, though I know the gentleman from Michigan does not subscribe to it.

Mr. Speaker, I trust the House will adopt this report. Title I expires tomorrow by law. We cannot accomplish anything, in my opinion, by further delaying action. I therefore trust the House will uphold the hands of its conferees and adopt the conference report. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I hope we may be able to clarify this situation. These character loans have been made under title 1, no matter whether the party had one, two, or more mortgages outstanding on the property. Why should one not build a little home costing $1,375 to $2,000 complete, as well as add to a home already constructed? Everyone realizes the red tape, the expense required under title 2. People will not build small homes under title 2; we all know that.

Our committee reported a bill permitting the financing of such homes. The conference committee of the House has, however, agreed with the Senate to prevent this, and the issue is clear. What has been done under title 2? Many banks had a great many mortgages which they insured and unloaded on other finance companies, which is easily done since the credit of the Government is back of them.

Three-fourths of the loans made under title 2 have been made on property already built and only 25 percent for new construction. The issue is plain. Few new small houses will be built under title 2, and just now, with the conditions resulting from the floods, we need this legislation.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Speaker, I regret to find myself in opposition to the conference report. Let no one in this House who believes we ought to vote down this report get the idea that the parliamentary situation is such that we must have this conference report adopted today in order to continue the Federal Housing Administration. It is going to continue regardless of what we do today. A delay of a week or 10 days in extending the administration of title I for another year is of no particular importance.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New York.

Mr. O'CONNOR. Of course, the Federal Housing Administration continues without this legislation as to all parts except title I?

Mr. BROWN of Michigan. The gentleman is absolutely correct. It would be impossible under existing conditions to get this bill signed by the President in order to make it effective on April 1, the date when title I expires.

Mr. Speaker, there is a marked distinction between loans under title I and title II of this bill. A great deal has been said about the claim that mortgages could be obtained under title II of the act, which would fill the need covered by the existing provisions of title I. Title I does not contemplate the use of mortgages. It is a character-loan provision. It enables men and women who desire to build these small houses to borrow when it is impossible under existing conditions to give a mortgage. Whenever it is possible to give a mortgage title II is used; but under title II insurance has been provided by the Government to the amount of 20 percent, now 10 percent in the new bill, of the total amount of F. H. A. loans made by an insured bank for the benefit of those unable to give a lien.

If we eliminate the provisions of title I relating to small houses, and do not forget that we are changing the law as it has been in effect ever since the Housing Act was adopted, we are no longer going to be able to build the type of house that the gentleman from Illinois exhibited to the Members a while ago.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Notwithstanding the original idea that the loans under title I were to be based on character, has it not been the general practice to take security in order to cover these loans made by approved lending institutions?

Mr. BROWN of Michigan. That is entirely up to the banks. They may or may not. The simple and direct way to do all that is wanted would have been to enact H. R. 10269, the bill introduced by my able colleague from Michigan [Mr. DINGELL], simply extending for another year the present provisions of title I. The same result would be reached by the adoption of the Duffy bill. Both of these gentlemen have a comprehension of the needs of the lumber and equipment industries and of their customers. Their solution is better than the restrictive provisions of this bill.

Mr. HEALEY. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Massachusetts.

Mr. HEALEY. Is it possible for the Federal Housing Administration to pass on all loans under title I? Do they pass on all applications?

Mr. BROWN of Michigan. They pass on them in this way. They have established regulations to which the loans must conform, and if the applications do not conform to those regulations, the loans, if made, are not insured.

Mr. HEALEY. Then, as a matter of fact, they reserve the right to reject or approve the loan.

Mr. BROWN of Michigan. I very much regret to have to disagree with the chairman of the committee and with the conference committee, but I firmly believe, if we vote down this conference report today, we will get a measure here that will do two things. It will continue the policy of the past in making loans upon electrical equipment in the small home, and let me pause and digress a moment to say that under this bill a man who wants to spend $2,100 to put a gas furnace in a large home can get the loan under this bill, but the woman who wants to buy a washing machine cannot do it. This does not seem to me to be fair. Notes for the purchase of machinery and equipment based on prices of $2,000 and up to $50,000 are insurable, but notes for purchase of equipment of less than $2,000 are not insurable. Such discrimination is beyond my comprehension, and I am confident would be rejected if the House fully understood the facts. The other desirable change is the insurance of small-house construction loans.

The conferees had an opportunity to liberalize this bill by adopting the Senate provision insuring loans for the purchase of small machinery and equipment for homes, such as washing machines, and so forth, and adopting the House provision for the insurance of loans to encourage small-home construction. The conference report strikes out the liberal provision in both bills, and, in my judgment, largely emasculates title I. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, these small loans, as was said by the gentleman from North Carolina, were originally intended to be character loans, but the banks have built up insurance reserves; in other words, if the banks make 10 loans of $1,000 they are insured on each loan to the extent of $200, but this builds up an entire insurance reserve not of $200 on each loan but of $1,000. So they can apply this $1,000 on any of the loans that may fail. The result has been that banks have built reserves of as high as $12,000,000 in one case and of hundreds of thousands of dollars in other cases. So the result is that the loans are not character loans at all.

Let me go over it again. The builder goes to a man and says, "I can build you a house for $2,000, and you will not have to put up a dollar." The man says, "All right; you go ahead and build it." He builds it and takes the man's note for $2,000. He carries it to one of these banks, and the bank has built up a sufficient reserve to be able to take 100-percent risk on the payment of that note, and if he takes it he is getting 9.7-percent interest on the note. Therefore, these bankers are not only insured by the Federal Government on these loans 100 percent, but they get 9.7 percent interest on the loan.

This is the result insofar as the bankers are concerned. There is absolutely no consideration shown to the man who has bought the house. He has his note of $2,000 to pay, and he has it to pay with an interest charge of 9.7 percent, in the face of the fact that the bank is taking no risk at all and is getting a rate of interest of 9.7 percent.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BROWN of Michigan. Why does the gentleman from Maryland think it is necessary to pass an amendment to this bill, which I understand he has introduced, to permit loans on these small houses under title I in the flood area, if, as the gentleman says, these loans can be obtained under title II?

Mr. GOLDSBOROUGH. I did not say that loans in the flood areas could be made just as readily under title II, because under title II the Federal Housing Administration undertakes to consider the needs of the owner, where the property should be located, the sewer facilities, the school and the church facilities, and whether or not, as a matter of fact, the property will be permanently desirable, and this would not always be practicable in the flood area.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HANCOCK of North Carolina. Can the gentleman conceive of a man able to own a $2,000 home wanting to finance it through a system whereby he will be charged about 10-percent interest and be liable for 5-percent default payment and cannot have the loan run longer than 30 months, when under title II he can get the same loan for less than 7-percent interest and it can run for 20 years?

Mr. GOLDSBOROUGH. Of course, the poor fellow is deluded into buying a house under title I, and 100 percent of them will lose their property—practically every one of them.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were 112 ayes and 50 noes.

Mr. DIRKSEN. Mr. Speaker, I object on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER. The gentleman from Illinois makes the point of order that no quorum is present. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum, and the conference report is agreed to.

On motion of Mr. GOLDSBOROUGH, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

NAVAL AIR STATION—MIAMI, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station, and to authorize the construction and installation of a naval air station thereon, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

Mr. SNELL. What is this bill?

Mr. VINSON of Georgia. I am asking that a House bill passed with Senate amendments be sent to conference.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. VINSON of Georgia, Mr. DREWRY, and Mr. DARROW.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 238. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 381. An act granting insurance to Lydia C. Spry;

H. R. 605. An act for the relief of Joseph Maier;

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 762. An act for the relief of Stanislaus Lipowicz;

H. R. 977. An act for the relief of Herman Schierhoff;

H. R. 2469. An act for the relief of Michael P. Lucas;

H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;

H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;

H. R. 6335. An act for the relief of Sam Cable;

H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;

H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico;

H. R. 7788. An act for the relief of Mrs. Earl H. Smith;

H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods;

H. R. 8032. An act for the relief of the Ward Funeral Home;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 8901. An act to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis.;

H. R. 9200. An act authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California;

H. R. 10185. An act to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10262. An act to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H. R. 10316. An act to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.;

H. R. 10465. An act to legalize a bridge across Second Creek, Lauderdale County, Ala.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto;

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods;

H. R. 11045. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes;

H. R. 11425. An act for the relief of Gustava Hanna; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 4212. An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted as follows:

To Mr. EATON, indefinitely, on account of illness, at the request of Mr. BACHARACH.

To Mr. EICHER, for the remainder of the week, on account of official business.

To Mr. FARLEY, for 6 days, on account of important business.

To Mr. GILLETTE, for 1 week, on account of official business.

To Mr. UTTERBACK, for 1 week, beginning April 1, on account of important business.

To Mr. WEARIN, for 1 week, on account of official business.

To Mr. CURLEY, for 5 days, on account of important business.

ROBINSON-PATMAN EQUAL OPPORTUNITY BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, H. R. 8442, the bill to give independent merchants equal rights and privileges, is now pending on the House Calendar. Judge HUBERT UTTERBACK, for the Committee on the Judiciary, filed a report on the bill today. The report is several pages long, discusses the bill fully, and contains convincing reasons why the bill should become a law. A copy of this report may be obtained from the document room upon request.

MIDDLEMEN

Much is always said about the middleman. Eliminate the middleman, reduce the cost to consumers by direct sales, and so forth. As much as we talk about eliminating the middlemen, it is impossible—just as impossible as it is to eliminate modes of transportation from the producer to the consumer. You may change the methods of distribution and may call brokers, jobbers, and wholesalers by other names, but the services rendered by these brokers, wholesalers, and jobbers must be rendered by others. Their services cannot be eliminated although you may change methods and change names. It is in the interest of the country that we have independent brokers, jobbers, and wholesalers. If the present trend continues, these functions will be performed by agencies owned or in control of the large banker-controlled corporate chains. When that happens the producers and manufacturers will not have a fair competitive market. It will be a fixed market—fixed for the benefit of the corporate chains. A small manufacturer will not have the name of an independent broker in each city of the United States that he can send a mimeographed statement to announcing his wares for sale, which will permit orders to come piling in at a very small cost to him for the services rendered by the brokers. On the other hand, this small manufacturer must operate his plant for the benefit of the corporate chains or not at all. There will not be independent competitive channels that may be used for distributing his goods. The present trend is toward fewer buyers and fewer sellers. This is a definite trend toward monopoly.

BROKERAGE

Although this bill does not prohibit direct sales from the manufacturer to the consumer, and does not compel the payment of brokerage, it does provide that the payment of brokerage by a buyer to the seller or by the seller to the buyer shall be prohibited. This will eliminate a form of bribery. Recently it was learned that an agent for the potato growers on the Atlantic seaboard had a contract with the growers to furnish them seed, fertilizer, and spray materials at good prices; the growers to deliver their potatoes at harvesttime to him, and the agent would then sell the potatoes and after deducting proper charges divide the proceeds three-fourths to the growers and one-fourth to himself, the agent. It was discovered that this agent was under contract to a large mass buyer which compelled him to sell all potatoes to this mass buyer at the market price or forfeit $5 per car. In return for this the mass buyer was giving the farmers' agent a secret rebate of $2.50 a car, and incidentally, the buyer was so large that he made the market prices. No one would think about condoning his lawyer accepting a fee or secret compensation from the other party. No ethical person would expect to bribe or influence his competitor or the other party to a transaction by the payment of a fee or commission to his agent. This law will prevent such trickery, chicanery, and bribery.

CONSUMERS SAVED ENORMOUS SUM

All chain stores in the United States in all lines of business are doing about 25 percent of the retail distribution business. If these stores can save the people $750,000,000 a year on 25 percent of the sales, when all the other 75 percent—the independent merchants—receive the same prices as the corporate chains, the consumers of America will be saved two and a quarter billion dollars a year. Remember, our bill is not to compel manufacturers to raise prices to the chains, but to compel manufacturers to give the same prices to the independents based upon the same quantity and under the same conditions.

PERMITTING THE PRESIDENT TO VETO SEPARATE ITEMS OF AN APPROPRIATION BILL

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CITRON. Mr. Speaker, yesterday I introduced a proposed amendment to the Constitution permitting the President of the United States to veto separate items of an appropriation bill.

Section 7, article 1, of the Constitution of the United States permits the President to veto bills. If the President desires to veto parts of an appropriation or a so-called rider to a bill, he must veto the whole bill. To veto a whole bill because of his objections to individual items may not always appear logical and reasonable. I believe that in our day, with bills and appropriations containing various matters and propositions, it is unfair to the President and to Congress to have a procedure of veto, which may often prevent real consideration of the part objected to.

We have on several occasions amended the procedural parts of our Constitution. It appears to me that this problem is worthy of our serious consideration. The importance of the veto is recognized in our Federal and in all the State Constitutions. My suggestion is not new. It has been brought up in Congress in previous terms. I am convinced that the time has arrived for consideration of this proposal.

At the present time 39 of the 48 States provide for a veto of separate items.

EXTENSION OF REMARKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the conference report have 5 legislative days to extend their remarks.

The SPEAKER. Is there objection?

There was no objection.

DEATH OF STEPHEN A. RUDD

Mr. CULLEN. Mr. Speaker, it is with profound sorrow and deep regret that I rise in my place today to announce to the membership of the House the death of one of our distinguished colleagues, STEPHEN A. RUDD, of Brooklyn, N. Y.

Mr. RUDD served in the Seventy-second Congress and was reelected to the Seventy-third and Seventh-fourth Congresses. He was a member of the Board of Aldermen of the City of New York for 12 years and served with great distinction as a member of that body. He was born and reared in Brooklyn and respected and admired as one of its distinguished citizens and lawyers.

Mr. RUDD was a citizen of high character, a conscientious man, a good legislator, sincere in his efforts to do that which was for the general good and general benefit of the country—a splendid American.

I had a personal acquaintance with him for a period of 25 years. In all that time Mr. RUDD never swerved in his loyalty to his party and to his country. He distinguished himself as a member of the Foreign Affairs Committee of the House with honor and distinction. He sat in his seat day after day; and though his life was fast ebbing away, he insisted on attending to his duties as a Member of this House.

Only on my earnest solicitation did he consent to leave the House and go to his home, never to return here. Mr. RUDD was the kind of man we must admire, the type that comes to a legislative body such as this who realizes his duty and appreciates its membership. He stood on the floor here like a soldier with his gun, defending his country, and he would not leave though his life was fast ebbing away. It is sad to think about a man of that type or to think of any Member of the House who is called to the Great Beyond, for, after all, with all of the work that we do, with all of the debates that we have, with all of the differences of opinion which we express on the floor of the House, yet when the final roll call comes, our bickerings are buried beyond recall.

STEPHEN RUDD will go down in the memory of this House and the country as one of the ablest men, one of the most sincere men, one of the most conscientious men that ever served in the House. As I said a moment ago, when I went to his seat—and he invariably sat in that same corner—I said, "Steve, you must go home." I could see him dwindling away and dwindling away. Yet his answer was, "Tom, I belong here, I want to do my duty; if the Lord calls me, I would just as soon be called here as at home." However, I prevailed upon him and sent him home, and at 6 o'clock this morning he passed away. This is a great personal sorrow to me, because of my close association with him. He was strong in his sentiments, strong in his convictions, strong in courage, and strong for his friends. He was peaceful, quiet, calm, collected. He was a good father and splendid husband. The Lord has called him, and may the Lord have mercy upon his soul.

Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 474

Resolved, That the House has heard with profound sorrow of the death of Hon. STEPHEN A. RUDD, a Representative from the State of New York.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER appointed the following committee: Mr. CULLEN, Mr. DELANEY, Mr. CELLER, and Mr. SOMERS of New York.

The SPEAKER. The Clerk will report the remainder of the resolution.

ADJOURNMENT

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; accordingly (at 1 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 1, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

748. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of waterway from the intracoastal waterway, by way of the Florence Canal, to Gueydan, Vermilion Parish, La., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

749. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accom-

panying papers, on a preliminary examination of Columbia River at and near Hammond, Oreg., with a view to preventing erosion caused by construction of the south jetty, and providing a protected harbor near the mouth of said river, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

750. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Wakulla River, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

751. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Clinton River, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

752. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Hatchie River, Tenn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

753. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of channel from Croatan Sound to Manns Harbor, N. C., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

754. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to the provisions of section 201 (b), title II, of the Emergency Relief and Construction Act of 1932, the report of its activities and expenditures for February 1936, including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 436); to the Committee on Banking and Currency and ordered to be printed.

755. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of $750 (H. Doc. No. 437); to the Committee on Appropriations and ordered to be printed.

756. A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to $7,000,000, for the fiscal year ending June 30, 1936, to remain available until expended, for the War Department, for the acquisition of land in the vicinity of Sacramento, Calif., and the construction thereon of an Army Air Corps depot (H. Doc. No. 438); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McMILLAN: Committee on Appropriations. H. R. 12098. A bill making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2286). Referred to the Committee of the Whole House on the state of the Union.

Mr. UTTERBACK: Committee on the Judiciary. H. R. 8442. A bill making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors; with amendment (Rept. No. 2287). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 11036. A bill to amend section 4321, Revised Statutes (U. S. C., title 46, sec. 263), and for other purposes; with amendment (Rept. No. 2288). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. House Report 2289. A report relating to the War Department pursuant to House Resolution 59. Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McMILLAN: A bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. HOFFMAN: A bill (H. R. 12099) to declare the Benton Harbor Canal at and above Ninth Street, Benton Harbor, Mich., a nonnavigable stream; to the Committee on Rivers and Harbors.

By Mr. DICKSTEIN: A bill (H. R. 12100) to amend section 17 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 550), as amended by the act approved January 7, 1922 (42 Stat. 354; U. S. C., title 11, sec. 35), and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLISTER: A bill (H. R. 12101) granting to the States of the Ohio Valley consent of Congress to an interstate compact or treaty for the purpose of controlling or reducing stream pollution; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 12102) to provide for the preparation of a plan to reduce the pollution of navigable waters and for the appropriation of money for that purpose; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 12103) to provide for the preparation of a plan to reduce the pollution of navigable waters of the United States; to the Committee on Rivers and Harbors.

By Mr. BANKHEAD: Resolution (H. Res. 475) providing for the consideration of Senate Joint Resolution 234, authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel in connection with certain legal proceedings, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN: A bill (H. R. 12104) granting an increase of pension to Mary E. Smith; to the Committee on Invalid Pensions.

By Mr. GINGERY: A bill (H. R. 12105) granting a pension to Cora M. Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12106) for the relief of Diemer L. Bathrust; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 12107) granting a pension to Irwin Stump; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H. R. 12108) granting a pension to Emma Clark; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 12109) granting an increase of pension to Mary A. Borts; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 12110) for the relief of Luther Smith; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H. R. 12111) for the relief of Minnie Jordan; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10631. By Mr. CITRON: Petition of the Hartford (Conn.) Typographical Union, regarding interstate commerce and the Constitution; to the Committee on Interstate and Foreign Commerce.

10632. By Mr. COLDEN: Resolution adopted by the Trust Deed and Mortgaged Home Owners Protective Association, protesting against certain practices of the Home Owners' Loan Corporation, copy of letter referred to in resolution being attached thereto; to the Committee on Banking and Currency.

10633. By Mr. DUFFEY of Ohio: Resolution of the Polish Workers' Club of Toledo, Ohio, Ninth Congressional District, opposing enactment of the Reynolds-Starnes bill (H. R. 11172) pertaining to aliens, and for the removal of the difficulties of becoming American citizens; to the Committee on Immigration and Naturalization.

10634. By Mr. FORD of California: Resolution of the Council of the City of Los Angeles, memorializing the President, the Senate, and the House to appropriate funds for the continuance and completion of flood-control construction under the direction of the Army engineers in Los Angeles County of the State of California; to the Committee on Appropriations.

10635. By Mr. GUYER: Petition of citizens of Johnson County, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.